GUIDES FOR THE NEW HOUSING EXPORTER

GETTING READY TO EXPORT

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Cette publication est aussi disponible en français sous le titre : Comment vous préparer à l'exportation, LNH 2027.

Canada

104-03469/

This project was funded by Canada Mortgage and Housing Corporation (CMHC). However, the views and recommendations expressed are the personal views and recommendations of the authors and CMHC accepts no responsibility for them. Any reliance on, or action taken on, such information is at the sole risk of the user. This book is not a substitute for professional advice.

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ISBN 0-662-26720-6

Printed in Canada
Produced by CMHC

Guide to icons

The Tips and Warning icons are intended to draw your attention to special information.

Tips

Warning

Additional Sources of Support

This guide is intended as an introduction to exporting. It focuses on the major issues and does not go into details. For that, we have identified close to 100 additional sources of information and support.

For maximum usefulness, sources of information and support have been organized by chapter. All the sources pertaining to selecting a target market are at the end of that chapter, and so on. If a source offers information or support at several steps along the way, it has been included in each relevant chapter, with a description of what it does, relevant to that step.

In addition to chapter related resources, there is a "Guides and Directories" section (page 101) which lists export related publications.

To help you find the source best suited to your immediate need, each source has been coded to indicate what it does. Please note that some sources of support require that you be a subscriber, and others are available only to residents of the Province or Territory. If a source does more than one thing, it has been coded accordingly.

This source will provide you with *printed* or *verbal* information.

This source will help you *find, understand,* or *do something.*

If you qualify, this source will provide you with *financial* assistance.

This source will provide you with training in the form of *seminars* or *courses.*

This icon indicates a source of support with special emphasis on the housing industry.

Note: The sources of assistance included in this publication reflect the situation at the time it was written. Some sources may no longer be available, others may have changed the services they offer, many more may be available on the Internet.

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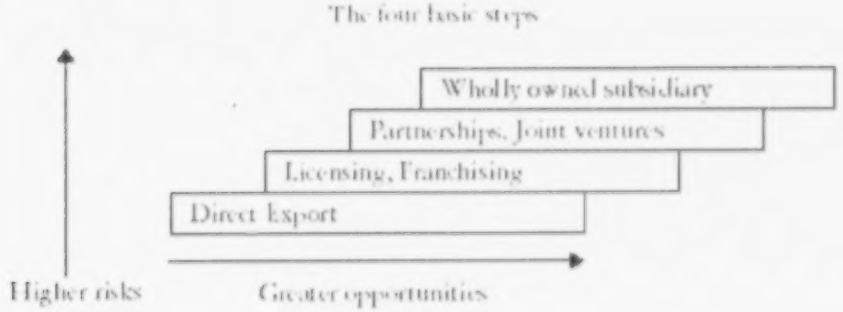
1. Doing Business Abroad

There are four basic steps to doing business abroad. Each step has a higher commitment, investment and risk level than the previous one. Each step may, however, also offer a higher profit potential.



Direct exporting involves an effort on the part of the prospective exporter to identify potential clients, agents or distributors in a specific foreign target market. Direct export is not to be confused with selling locally to a client or agent who takes the merchandise to a foreign market. Because it involves less commitment, investment and risk than the next steps, direct exporting is generally viewed as the best way to begin doing business abroad.

The second step in doing business abroad, which is the focus of the next guide, includes Licensing and Franchising. Licensing involves selling someone the right to produce and/or sell a product or service developed by someone else, generally under a brand name, in a specific geographic market. Franchising includes not only the product, but also the entire marketing process. The franchiser gives the franchisee the right to operate, in a specified, limited territory, the same business, under the same name and procedures. In some instances, Licensing and Franchising offer attractive growth potential, but they require more investments, more time and more commitment than direct exporting.

The third step in doing business abroad, which is the focus of the guide titled "Growing Overseas Through Strategic Alliances and Subsidiaries", involves taking a partner in the foreign country, or creating a joint venture. Some businesses do not lend themselves to licensing and franchising, for these, overseas expansion generally involves taking a partner in the foreign country, and/or creating a joint venture. Partnerships and joint ventures become attractive when the level of export business justifies beginning production in the third country. Partnerships and joint ventures require significant long-term investments, create more opportunities than lower levels of involvement, however, are considered riskier.

There are cases where the product being offered, or the foreign market opportunities, justify the creation of a wholly owned subsidiary. Wholly owned subsidiaries have the highest level of potential profitability, at the same time, they require the highest level of investment and commitment on the part of the investor. As such, they are ranked as the riskiest.

This guide deals primarily with direct exporting. More precisely, if you have identified your areas of strengths and weaknesses, it will guide you through the major steps necessary to improve your direct export readiness.

2. What is Your Export-Readiness Rating?

In order to derive maximum benefit from this guide, you should start by determining your export readiness rating. This can be done by using the guide titled "Are you Ready to Export?" – a self-assessment tool for housing industry companies who want to know whether they are ready to export. This self-evaluation guide is intended for individuals and companies who are not yet involved in direct exporting or other more advanced forms of foreign business activities such as licensing, franchising or partnership.

After you have answered the questions in each section, the self-evaluation tool provides you with an assessment of your company's "export readiness" for the selected target market. You are also given some preliminary recommendations. Although we recommend that you go through all the sections of "Getting Ready to Export", you should focus in greater depth on those sections directly related to the areas in which your company has some deficiencies.

To refresh your memory, and for the benefit of colleagues who may not have completed "Are You Ready to Export", you may wish to transpose below the name of the start-up export target market you had chosen, and the export-readiness scores from the last section of "Are You Ready to Export?". This can be done simply by transposing check marks to the equivalent column, for each individual item. You may consult "Are You Ready to Export" for a more detailed interpretation of the individual and group scores.

Start-up target market country(ies): _____

Questionnaire

Doing business at a distance

		Weak	Limited	Strong
1.	*Do you have a solid home base?*	_____	_____	_____
2.	*Are your products/ services easy to export?*	_____	_____	_____
3.	*Does your company have the necessary resources?*	_____	_____	_____
4.	*Why do you want to export?*	_____	_____	_____
5.	*How strong is the corporate commitment?*	_____	_____	_____

Total "Distance" readiness score — Total score = _____

Interpretation

If you scored between 0 and 5, you should avoid focusing on exports for the moment. Work at improving your company's overall export readiness. If you scored between 6 and 8 , your company does not seem to be ready to do business abroad without incurring a substantial risk of failure, concentrate on low risk clients in low-risk countries. If you scored between 9 and 13 , it appears that your company has a reasonable combination of background, products, resources, motivation and corporate commitment necessary to start doing business abroad.

Questionnaire

Doing business in a different environment

		Weak	Limited	Strong
1.	*Are you knowledgeable about the country and the people?*	_____	_____	_____
2.	*Are you knowledgeable about the local politics and the economy?*	_____	_____	_____
3.	*What do you know about the society and its culture?*	_____	_____	_____
4.	*What do you know about market accessibility?*	_____	_____	_____
5.	*Do you have an export plan?*	_____	_____	_____

Total "Difference" readiness score *Total score =* _____

Interpretation

If you scored between 0 and 5, you almost certainly need more knowledge before making substantive investments in time, effort and money in exporting. If you scored between 6 and 8, Depending on how you scored on the section "Do you have an export plan", you appear to be more or less ready to export to the target market of your choice. You would, however, benefit from improving your knowledge of that market. If you scored between 9 and 13, especially if you scored high in the section "Do you have an export plan", your company appears to have many, if not most of the requisites necessary to be export-ready for that particular target market.

Questionnaire

Dealing with "Risk"

		Weak	Strong
1.	*Are you familiar with the ins and outs of export financing, insurance and assistance?*	_____	_____
2.	*Do you have the staying power?*	_____	_____
3.	*How about a reality check?*	_____	_____
4.	*Are you really prepared to do business?*	_____	_____

Total "Risk" readiness score *Total score =* _____

Interpretation

If you scored less than a full four, you are not ready. Each of the areas covered in this section are essential to being ready to export.

3. Getting Ready, Step-by-Step

To help you become export-ready, this guide has been laid out in a step-by-step approach. To begin with, Chapters 1 and 2 include a brief review of material already covered in "Are you Ready to Export?". This review includes "Doing Business Abroad" and a summary of "What is Your Export-readiness Rating?"

Chapter 4, your first step in becoming export-ready, is going to involve choosing between three possible objectives: Survival, Growth or Profit. Choosing a clear objective must come first because it determines just about everything else. Once you have decided on an objective, we will proceed with the selection of a target market in Chapter 5.

Before beginning to build the Export Plan, you need to become familiar with the basic tools of the export trade contained in Chapter 6. Chapter 6 is divided into six parts, each covering one major tool. Chapter 6 starts with an introduction to the specialized export vocabulary known as "Incoterms". Once this is done, you will have an opportunity to see a practical example on how to calculate export prices. After learning to recognize and deal with the special types of risks one encounters in doing business abroad, you will review three very important international trade tools: Letters of Credit, Bonds and Guarantees. Finally, you will learn how to use the Internet as an export tool.

In Chapter 7, you will learn about overseas agents – the various types of agents, what they do, how to find and select the best agent for your purposes and how to draw the agent's contract. You will also become familiar with the option of exporting without an agent.

The next step, Chapter 8 is the actual preparation of your Export Plan. First, you will understand why you need a written plan and how it should be organized. You will then be guided through each section of the plan, from the detailed market study to the fourteen steps to competitiveness abroad, export promotion and advertising, overseas distribution and financing.

In Chapter 9, having completed your Export Plan, you will learn why it is important to have it go through a reality check, and how to do it.

Finally, Chapters 10 and 11 will make sure that you are prepared to do business and that you are "export-ready" for your first export business trip.

4. Matching Objectives, Strategies and Markets

As a business, although your goal is obviously to make a profit, you are constantly faced with the necessity to shift back and forth between three short-term objectives: survival, growth and profits.

When business is tough, you may decide to forego profits and even downsize, just so you can survive until conditions improve.

Alternatively, there are situations where growth, for growth's sake, is highly desirable. Take the case of two producers of manufactured houses who have each just put up a plant capable of producing 100 units a month. If the market is only big enough for 120 units a month, only one of the two is likely to survive, and it is probably going to be the one who sells 80 or more units a month, because he will be able to spread his fixed costs over a larger number of units and be more competitive.

Another example is that of a company entering the finger-jointed business. It has a choice of purchasing two machines: the first processes 60 blanks per minute, the second 130 per minute. The larger machine costs more than twice as much as the small one, but when operating at full capacity, the per unit cost of the larger machine is as much as 50 percent lower.

In the above examples, sales growth without profits, or even at a small loss, is desirable over the short time, provided it leads to a profitable situation in the not too distant future. Obviously, how long one can go without profits will depend on one's resources.

The third option is profit. If you can, this is the one you should always choose, but it may not always be available to you. Furthermore, seeking profits too early may stunt your company's growth.

Two Markets, Two Strategies

Companies which operate in only one market have very little choice. They can have only one objective and one strategy at any one time. For example, if the market is in a downturn, they will set a survival objective and apply a strategy to match: cut costs, lower prices, forego profits, focus on covering on-going expenses and wait for things to improve.

Companies who export, and therefore operate, in more than one market, have a tremendous advantage: they can have one objective and one strategy per market, provided that all individual objectives and strategies are compatible and supportive of each other.

A company operating in its home market and one export market could therefore have a profit objective in its home market, and, at the same time, a growth objective in its foreign target market, with a high profit margin strategy in one market and low prices in the other.

Balancing the Portfolio

The key to a good mix is to achieve a "balanced portfolio": a balance between the positive cash-flow generated in some markets and the cash-flow shortfall in the others.

For example, if the home market is doing poorly, the company will probably be operating in a survival mode, with no cash to spare, in the home market. In this situation, the company could still try to enter a short-term profit objective export market, provided sales and profits can be achieved fairly rapidly, with little risk, and almost no investments. The company would, however, be in no position to enter a high-growth export market because such markets usually require substantial investments with no short-term expectations of substantial sales.

The choice of a high-growth export target market would not be desirable because its negative cash-flow would aggravate the overall situation, rather than bring the market portfolio back into equilibrium.

Objectives, Strategies and Target Markets

By now it should be clear that objectives, strategies and target market choices are tightly linked.

If your objective is growth, you need a target market with lots of growth potential, even if there is little short-term profit. Fast growth may be difficult to achieve in a mature market.

On the other hand, if your objective is short-term profits, you should choose a mature market with a strong demand and well developed distribution networks, provided you have significant competitive advantages.

In summary, choosing a target market is more than just finding a market with some sales potential, it involves finding the market which will be most efficient at supporting a set of objectives and strategies compatible (but not necessarily similar) to those in your home market, and which contribute effectively to achieving the corporate goals.

5. Selecting Your Target Market

Some countries, such as the U.S., are very similar to Canada in terms of language, culture and economy. Exporting to the U.S. is therefore not much different than selling on the Canadian market. Other countries such as Japan, Russia and South Africa are very different from Canada. In order to be ready to export, you must obviously be able to export "from" Canada, but you must also be ready to export "to" your target market.

The main reasons for selecting one country, rather than another as your target market, is because of the hope that the one you choose will have more potential clients for your products, and be a place where it will be possible to achieve your objectives and implement your strategies, with a minimum of hassle and risk.

The entire target market selection process is intended to help you choose, among many possible export markets, the one on which you should focus your efforts first. Remember, exporting is complicated and risky enough. Don't add to the difficulties by attempting to start exporting in several markets at once. Limit yourself to one country (or even one region within a country) or, at most, to a small group of very similar countries.

Where to Look for Information

Think about your home market. What do you know about it? You know what people want, what they can afford, etc. In all likelihood you accumulated that knowledge over the years, by experience. Unfortunately, you cannot move to each country and live there for a few years, or even months, to gain the necessary knowledge. Therefore, it will have to be done by looking at the information which is available locally.

The main sources of information that you can use at this point:

Talk to people you trust

Talk to friends, employees, competitors, clients, banks, suppliers, expatriates, industry association colleagues, etc., who are familiar with some of the countries being considered and their housing sector. You may be surprised at the amount of information you can obtain that way. Don't forget, however, that most of these people are not specialists and that their perception may be biased, in favor, or against a given country. For example, somebody who has visited a country as a tourist may have a much different view from somebody who has lived and worked in that country. For best results, try to get information from more than one source.

Talk to the government

Talk to the various federal or provincial Trade Commissioners responsible for trade with the countries being screened. The Trade Commissioners may, or may not, be personally familiar with the housing export opportunities to that country, but they can direct you to people who are. Trade Commissioners will certainly be invaluable in helping you later on, so, it is a good idea to establish contact early.

Talk to business people

Find a Canadian business person who is actively involved in doing business in that country. If your initial list of countries is not too long, you may try to find Canadian business people who are presently doing business with each of the countries under consideration. For example, if you want information on Brazil, the Canada-Brazil Chamber of Commerce should be able to put you in touch with a Canadian business person from your region. Even if the person is not involved in the housing business, he or she should be able to answer most of the questions you have at this stage.

Talk to specialists

There are several types of specialists who may be able to help you. For example, you may find that some university professors such as political scientists, sociologists and geographers, among many others, do a lot of research on housing in a variety of countries. Consultants are another group to be considered. A consultant who is very familiar with the country and its housing sector may be able to help you at this stage, at little or no cost, if there is an opportunity for business later on.

Take a course

Many community colleges, some universities, government and industry associations offer short courses and seminars focused on training new exporters. If these are not available in your community, check with your association, there may be enough interest for it to sponsor such a seminar series. The best ones will take you through all the steps in the process and even help you organize your first export-sales trip.

Form an export team

Better still, join forces with others who are also interested in beginning to export. A "team" approach between complementary companies (e.g., architect, planner, windows and doors manufacturer, flooring supplier, lumber yard, builder, Hvac, etc.) will allow all participants to reduce costs, effort and risks. As a matter of fact, experience shows that even direct competitors can cooperate profitably at this stage. Think about it: if the market is not large enough for half-a-dozen small or medium sized Canadian companies, is it really attractive?

Talking to people has a considerable advantage: you tell them what you need, they think about it, and, if you are lucky, presto! out comes the exact information you want. Unfortunately, not all information is available that neatly. In all likelihood, you are going to have to find and interpret some information yourself (we have tried to help by attaching a number of sources of information to each section of this guide).

As late as a few years ago, libraries, books and reports were the only significant source of information for country screening. With the advent of the Internet, things are changing very rapidly, for the better. There are now several sources of online country information (see list in Reference Section at the end of this guide).

Developing an Initial List

At last count, there were some 189 independent countries in the world. A growing number of these countries are joining into free-trade and common-market associations.

It is possible, but quite unrealistic, to start your market selection process without excluding any country from consideration. In practical terms, all prospective exporters start with a few countries they would like to consider. A good way to assemble the initial list is to ask yourself the following type of questions:

- Where do our competitors export to?
- What country is importing the type of product or service we provide?
- What countries have we had inquiries from?
- Where do our suppliers export to?
- What country do we know (from travel, tourism, family, etc.) that could be an interesting market?
- Have we heard about an interesting overseas opportunity lately?
- Is there a country we would like to do business with?

If your company and your management team are typical, the result will be a rather mixed bag of countries.

In a recent example, the company, a medium-sized manufacturer of upscale residential interior finishing products, decided to start exporting and began the process of identifying its first target market. After going through the steps recommended above, it came up with the following list: U.S.A. (Florida and California), Mexico, Chile, Colombia, Germany, Poland, Hungary, Singapore, Malaysia, China, Taiwan, Hong Kong and Japan.

Shortening the List

Before we start, a word of caution. Countries are not homogeneous, and one should not discard an entire country just because its averages look unattractive. For example, India is likely to be classified as a poor country, however, among its 800 million inhabitants, there are at least 80 to 100 million who are willing and able to purchase world class housing products. Should you discard an 80-million customer market without a second look?

Market attractiveness

Having obtained *preliminary* information about the various countries in the initial list from the sources suggested above, you should now be in a position to begin the screening process.

The first step should be based on your answer to the following question:

– Given our typical customer, are our products/services more likely to be sold in:

- A fully developed economy (U.S., Japan, Western Europe, etc.)
- A rapidly developing economy (Korea, Thailand, Israel, Chile, etc.)
- An economy in transition (Brazil, Czech Republic, Egypt, South Africa, etc.)
- A less developed economy (Haiti, Mali, Burundi, etc.)

In our example, the company concluded that its product was likely to sell best in a fully developed country, and although it might sell well to the high income groups in rapidly developing economies, the company decided to reduce risks and screen out Mexico, Chile, Poland, Hungary, Malaysia and China on the grounds of less than full product/market compatibility. It was agreed that if sales developed well in the first target market, these would be reconsidered at a later date.

If you failed to obtain sufficient information on a given country at this stage, despite your best efforts, we suggest that you cross that country out, or at least that you set it aside. If none of the sources we mentioned knows anything about it, then it is not a market with which Canada has well established trade links, and it is not a market that already imports the type of products/services you want to export. As a small/medium-sized company, you should avoid dealing with virgin markets. Opening new markets is likely to be too costly and too risky.

Cultural and linguistic differences

The second step in selecting a target market involves screening for cultural and linguistic differences. Are you willing and able to focus on a market with large cultural and linguistic differences, or would you prefer to start with one that is easy to understand and easy to communicate with?

The answer lies in your responses to "Are You Ready to Export?" If you have a well-established company, a strong corporate commitment, a product or service with strong competitive advantages in the target market and plenty of staying power, you can tackle even the most exotic markets, provided the opportunities are worth it. If you don't, you should restrict yourself to target markets with minimum cultural and linguistic differences.

In our example, the company, located in the West Coast, concluded that, at this stage of the screening process, no remaining country on the list would be excluded because, if market conditions warranted, it was willing and able to deal effectively with the cultural and linguistic differences involved. This decision was made easier by the fact that the company has a few employees who are expatriates from Latin America and Asia, and the President had travelled several times, as a tourist, to these areas.

How far away?

As discussed in "Are You Ready to Export?", doing business at a distance is more complex, costly and time consuming. Housing industry participants are known for their preference to deal face-to-face. As a result, when faced with two potential markets with equal opportunities, the easiest to get to should be considered and the other screened out.

In our example, the West Coast company decided that it would keep California over Florida, and screen out Colombia and Germany.

How much risk?

Commercial, political, currency exchange and other such risks are an important consideration when choosing a target market. Changes in political climate can close down markets. Currency fluctuations can make your products too expensive from one day to the next. In the long run, you are always better off dealing with a low risk, stable country, if for no other reason that, in years to come, you may want to upgrade from direct export to a local partnership, joint venture or even a wholly owned subsidiary.

After reviewing the information gathered, our sample company concluded that Hong Kong, although an attractive market, was likely to be faced with political instability in the upcoming years. Being a medium-sized company, they felt that it was not the right time to select Hong Kong as a target market. At this point, their initial list had been reduced to U.S.A./California, Singapore, Taiwan and Japan.

Is this an "open" market?

The last step in the screening process relates to accessibility. It is easier to do business with countries which have a free-trade philosophy and strong trade agreements with Canada. It is harder to do business with countries that impose import barriers, either in the form of tariffs or as non-tariff barriers (such as local content, or local standards, which differ from Canadian or international ones).

In our example, the company concluded that the U.S.A. had the lowest trade barriers; Singapore had a very restrictive housing market, while Taiwan and Japan were in a transition stage. They were opening their housing markets to foreign products, but some restrictions remained.

Having eliminated Singapore and selected Japan over Taiwan, our sample company was left with a final choice of two possible target markets: U.S.A./California (actually, the North-West quadrant) and Japan. After considerable internal discussions on size of market opportunities, advantages of getting in early, local competition, etc., the company decided to focus on the Japanese market. True to Canadian tradition, it then decided to also direct some of its export efforts to the U.S. market.

What Now?

You have now pre-selected your target market. Before you commit to it, you should review the next guide and make sure that this market also meets the economic, legal, social and cultural requirements necessary to make it a truly desirable target market.

6. Learning the Tools of the Export Trade

Exporting involves a whole new way of doing business. Everything is different: pricing is different, billing is different, there are more documents and different risks involved, and they are more complex. Even the vocabulary is different. In fact, you may want to hire an agent to help you with some of the complexities. In this guide, we will review six basic subjects that you need to master before starting to develop your export plan.

- Incoterms
- Pricing for export
- Dealing with risks
- Letters of credit
- Bonding and guarantees
- The Internet

All this review is in preparation for subsequent chapters which deal with how to prepare your export plan and become export-ready.

Understanding the Export Vocabulary

Using the correct export vocabulary is crucial. When you quote a price for your products, you and your client must know very precisely what is involved, even though, because of language or other barriers, you may not be in a position to discuss face-to face or may have difficulties communicating. For example, when you quote a price of $100 per unit, you may think of it as the price at the plant, which is likely the way you sell locally; your client may be under the impression that this is the price for the product once delivered at his/her door, or at least to the nearest port. If the issue is not clarified early, it is likely to create considerable friction later on.

To avoid misunderstanding between buyers and sellers, international traders have, over the centuries, developed a number of very precise acronyms known as "Incoterms" which are legally recognized and are well understood by everybody in the business, whatever their mother tongue. Incoterms define who pays the costs and who is responsible for the risks, at every step of an international transaction.

Because shipping, handling, insurance and duties can add substantially to the cost of an export shipment, it very important to use the proper incoterm, and to fully understand its meaning.

Incoterms, What Do They Mean, and When to Use Them

Before we start, a few words of warning. Never quote an export price which includes shipping, insurance or duties without double or triple checking what will be involved. Better still, have a reputable freight forwarder do it for you and get a written commitment from a carrier on a price for a certain volume at a certain date, as well as on all other costs such as insurance and duties. Never assume that you can use past information. Shipping rates may vary from one company to the next and be affected by availability. For example, several prices may be quoted to ship a container from Vancouver to Rio de Janeiro, depending on the date of departure and depending on how fast you need it to arrive there. A low bid may mean that your cargo is going by a "tramp" ship and that it will arrive there at an undetermined date.

The list below includes the most commonly used incoterms. Each incoterm is explained and, when appropriate, recommendations are made as to when to use it, when to avoid it.

Ad Valorem Duty

Custom duty based on a percentage of the value of the goods being imported. It is important to check if the value for duty calculation is the actual selling price or some other "value" determined by the customs authorities. In order to protect local producers or avoid losing revenues from under-invoiced imports, some countries calculate the dutiable value on the basis of the average price in the country of origin, or even in their own market, rather than on the invoiced amount.

Bill of Lading

The Ocean Bill of Lading, or its equivalent, the Airway Bill, are shipping documents prepared by your freight forwarder, or by the carrier for a given shipment. The Bill of Lading is actually a contract between the owner of the goods and the carrier. The importer will need to present a copy of this document to take possession of the goods.

Make sure that there are no mistakes on the Bill of Lading, not even simple spelling mistakes. We have seen cases in which unscrupulous importers refused to take possession (and to pay) for goods because of minor discrepancies between the Bill of Lading and the Letter of Credit. They then try to renegotiate the price, and the exporter is forced to agree because shipping the goods back would be too costly.

Canadian and Foreign Port Charges
All sea shipments generally incur loading and unloading charges. What is less well-known is that they may also incur significant, and sometimes unforeseen, storing charges at the loading and unloading ports. This occurs when the goods arrive too early, or when the vessel is delayed or, at the other end, when the importer fails to pick up the shipment promptly. To avoid problems, specify that the importer will be responsible for any additional storage charges at destination, over and above standard charges.

Carnet
Unless you have a Carnet issued by the International Chamber of Commerce, you may be stopped by customs, and your samples and promotional material may be not be allowed in, or be subject to punishing duties. You may also have to go through all the costly and time consuming requirements of a regular import process into the country. In one particular case, an exporter going to a trade show had to cut sizable holes in the kitchen cabinet doors he was carrying to ensure that they would have no "market value". The doors also lost most of their "appeal value" in the process.

Certificate of Origin
This is a special document which is required by some countries to identify the origin of goods and/or their value.

CIF (Cost, Insurance, Freight) Specified Port of Entry
This is one of the most common arrangements between exporters and importers. Under CIF, the exporter continues to own the goods, and be responsible for them, until they reach the destination point indicated in the transaction, and are transferred to the importer. The exporter also pays for all packaging, loading and unloading charges, shipping charges and insurance costs. As a rule, the destination for a CIF transaction is the point of entry in the importing country. This way, the exporter does not get involved with customs and duties.

C&F (Cost and Freight) Specified Port of Entry
This is another possible arrangement between exporter and importer. Under C&F, sometimes referred to as CFR (Cost, Freight), the exporter continues to own the goods until they reach their destination, but the importer pays for the insurance. You should only consider this option if you are given timely proof of appropriate insurance coverage. You should also check who is the beneficiary.

C&I (Cost and Insurance) Specified Port of Entry
Another variant of the above. In this case, the importer pays the freight. This is often the case when a big importer, who can get better shipping rates, buys from a small exporter.

Commercial Invoice
Depending on the situation, this invoice is prepared either by the exporter or by the freight forwarder. It is a key document which the importer requires to arrange for payment.

Consular Invoice
This is an invoice approved (for a fee) by the country's consulate in Canada. This is used by countries who impose strict restrictions on imports.

Customs Invoice
This is generally a copy of the commercial invoice (but not always). It is used by customs to calculate duties when these are based on the selling price in the country of origin. Once approved, it serves to clear the goods from the customs area.

Pro-Forma Invoice
This is a document the exporter sends to the importer well in advance of the actual shipment. The purpose of the Pro-Forma Invoice is to give the importer the detailed description of the goods, prices and expenses so that the importer may obtain such things as an import permit or a foreign exchange permit. It is important to know that the information on the Pro-Forma Invoice is for information only. It is not binding to the exporter. Prices and conditions can change until the order is accepted and confirmed.

Drawbacks
If you imported some of the components of a product you are going to export, and if you had to pay duties to do so, you may claim the duties back when the goods leave Canada. If you are going to do that regularly, you should approach Canada Customs & Excise, they will explain what other, more advantageous options are open to you.

DDP (Delivered, Duties Paid) Specified Location
If your client wants you to quote a price which includes all costs, risks and expenses up to the final delivery point, this is the option. Canadian companies exporting to the U.S. often quote a DDP price (although they usually call it something else, such as "delivered" price). They have to do it because they are competing with local U.S. companies and they want to make it easy for their clients to compare prices.

As an inexperienced exporter, it is generally not a good idea to quote a DDP price.. One of the most common surprises is having a customs inspector decide to reclassify your product into a higher (and sometimes, much higher) customs bracket. There is also the problem of arranging local transportation in the country of destination. If the client insists on a "delivered" price, try DDU (Delivered, Duties Unpaid).

Ex-factory (also Ex-works and Ex-warehouse)
This is the most straightforward of all agreements. The price is for the goods at the point of origin, with goods and responsibilities in the hands of the importer from that point on. Although it would appear attractive, from the point of view of the exporter, this form of agreement is seldom used because it requires the importer making shipping arrangements from far away.

FAS (Free Alongside Ship) Specified Port of Embarkation
The exporter pays all the costs and retains ownership, up to the point where the goods are at the dock, on a specific date (not before or after), ready for loading at the port of embarkation. This leaves the importer free to make his own shipping and insurance arrangements.

FOB (Free on Board) Specified Port of Embarkation
This is one of the most widely used options. Technically it means that you, the seller, are responsible for all the risks and costs until the goods are loaded at the specified port of embarkation, on board the ship which will carry the goods to their intended destination. As a beginner in the export business, you should try to quote FOB prices because they are generally the same, regardless of the destination (provided that you use the same port of embarkation). Therefore, by quoting FOB prices you reduce your risks.

FTZ (Free Trade Zone)
A Free Trade Zone is an area, generally adjacent to a port or airport, where you can import goods without paying duties. There are several reasons to use FTZ's: the first is to delay paying duties on imported goods; for example, if the product you are exporting has to pay 80 percent ad-valorem, the importer is better off leaving his inventory in an FTZ and only drawing on it as required, since duties are only payable when the goods are transferred from the FTZ to the country proper. An FTZ is also a good place to locate a plant if you import dutiable parts or components to be included in a product which is going to be exported. By locating in an FTZ, you avoid the whole problem of paperwork and drawbacks.

FTZ's are popular in many countries, but do not exist in Canada. In Canada, you can negotiate with the Government to have a secured area in your warehouse or plant declared a "private FTZ".

Hard Currency
Some currencies such as the U.S. dollar, the German mark, the Japanese Yen and the Canadian dollar, are called "hard currencies" because they are easily convertible and have a stable, well known value. When you are exporting, make extra sure that the currency in which you are going to be paid is clearly spelled out, and that it is a hard currency.

Be especially suspicious of any statement to the effect that payment will be in U.S. dollars "or equivalent". This may mean that you will be paid in the local "soft" currency, at an artificial rate of exchange set by the local government. To add insult to injury, the currency may not be convertible at all. And if you are really unlucky, local regulations will prohibit you to leave the country with the money. If you have to accept payment in a soft currency, at least try to take an insurance to cover the related risks!

Letter of Credit (L/C)

The Letter of Credit is a formal promise to pay, issued by a bank, on behalf of an importer, to an exporter. It is the most common method of settling international transactions. The L/C facilitates trade by protecting both the exporter and the importer. The exporter is protected because, provided the terms of the letter of credit are fully met, it is the issuing bank, not the importer, which guarantees payment. The importer is also protected because to be paid, the exporter must fully meet all the terms of the L/C. In addition, trade is further facilitated because, since the promise of payment is made by a reputable bank, non-payment risks are eliminated and the exporter can afford to extend credit terms to the importer.

The same warnings which applied to the Bill of Lading also apply to L/Cs (even more so!). In a subsequent section dealing with "Making sure you get paid", we will look further into the do's and don'ts of L/Cs.

Non-Commercial Risks

These refer to casualty risk, political risk, acts of God, currency convertibility (if you accepted payment in the local currency or in a "soft currency", management failure risks, etc. All these risks can be covered by appropriate insurance policies.

Pricing for Export

In the preceding chapter, we identified a number of export pricing options, such as Ex-factory, FAS, FOB, C&F, C&I, CIF, DDU and DDP. To help you put these pricing options in perspective, we will now go through an example in which we will calculate all the major export price options for a fictitious shipment.

Calculating your export price(s) – Stage 1

You should have relatively little trouble finding the information necessary to calculate your product costs, as they are all standard cost items. The main difference is the use of foreign, rather than local, advertising costs. Note that at this stage, you may have to estimate foreign advertising costs.

Export pricing example: the ABC housing component company

Product costs (per unit)	Local market ($)	Export market ($)
Material inputs	35.00	35.00
Labour inputs	69.00	69.00
Production overhead	14.00	14.00
Administration overhead	7.00	7.00
Advertising and promotion	8.00	3.00
(Local) selling costs	21.00	n/a
Financial costs	8.00	8.00
	162.00	136.00

Calculating your export price(s) – Stage 2

You will now need the help of a freight forwarder, and/or a knowledgeable shipping company. They should be able to give you reliable information on direct export costs, export shipping costs, transportation costs and import duties (and other restrictions).

The actual cost of a foreign agent, if any, will likely be decided later (see Chapter 7). For the moment, you may assume 4 to 10 percent, and use 10 percent in your calculations.

You can probably trust the advanced information on local freight and Canadian port charges provided by your freight forwarder or shipping company. They may be a bit off, but probably not by much. Ocean shipping charges are another matter.

Ocean shipping charges may vary considerably from one company to another. The fact that two ports appear to be nearby is no guarantee that shipping rates will be similar. Furthermore, shipping charges may vary considerably depending on how fast you want the goods to arrive. You should discuss the aspect of ocean shipping charges with your forwarder and make sure that the figures you use in your calculations are truly representative of what you will eventually have to pay.

Direct export costs (per unit)		
Crating (pallets, containers, etc.)	n/a	2.50
Freight forwarding	n/a	.70
Selling costs (overseas)	n/a	38.00
Total cost (per unit)	162.00	176.70
Profit margins (10% on cost)	16.20	17.70
Basic local market selling price	178.20	194.40
Foreign agent commission		
(4% of basic local selling price)		7.80
Ex factory price		202.20
Export shipping costs (per unit)		
Inland freight to port-of-loading		3.80
FAS port-of-loading price		206.00
Loading port charges (wharfage)		1.80
FOB port-of-loading price		207.80
Ocean freight to port-of-entry		1.20
C&F port-of-entry price		209.00
Marine insurance		.50
C&I port-of-entry price		208.30*
* C&I equals C&F minus the freight cost, plus the marine insurance		
CIF port-of-entry price		209.50
Transportation costs at destination (per unit)		
Wharfage charges at destination		2.70
Documentation charges at destination		.20
Inland freight (port to client)*		8.00
*May include charge for returning container		
Local transportation insurance		.30
DDU – Delivered duties unpaid price		220.70
Import duties (per unit)		
Customs and duties charges levied by destination country (e.g., 14% on Ex-factory price)		28.30
Customs brokerage charges (e.g., 1% of CIF price)		2.10
DDP – Delivered, duties paid price		251.10

GST and other taxes

When calculating your export price, you should not include the GST, nor (in most cases) the provincial sales tax. In practice, this means that you do not collect GST on export sales, but you can claim an input tax credit for all the inputs you have purchased for the goods you export.

Dealing With Risks

Dealing with risks is a normal part of doing business. The only difference is that exporting involves somewhat more risks, as well as different ones.

In a straight export deal, you and your client are faced with the following types of major risks:

- The product may be damaged in transit
- The goods may be stolen in transit
- The goods do not meet specifications or arrive too late
- The client may be prevented from concluding the transaction because of war, etc.
- The client may not be willing or able to pay
- Losses due to currency fluctuations
- Liability claims against your products or services

If you are involved in a building project abroad, you and your client also face the following additional risks:

- You are the low bidder but the deal cannot be completed
- The client wants a performance guarantee
- The client wants to protect his advance payments
- The client wants to be sure that you are paying your suppliers
- The client wants to be sure that you will honor your warranty and maintenance obligations

All of the above types of risks can be dealt with through appropriate mechanisms which you should become familiar with. Using the appropriate insurance tool will reduce your risks and increase your chance of export success.

Transport insurance

Insuring your goods against theft, damage or loss while in transit is not a trivial matter. Technically, it is possible for you to deal directly with an insurance broker and make your own arrangements. In practical terms, as a beginner in the export business and before you

commit yourself, you should go through your freight forwarder or broker and ensure they take the time to go over the details of the various options. For example, you can insure your cargo against "individual" damages or loss. This would cover you if, by any chance, your container is dropped by the loading crane or if it is opened and pilfered.

Rather than the expensive "individual" coverage you could take the cheaper "general" coverage insurance. The cost for this type of insurance is divided among all the cargo on the ship, and it is therefore cheaper. But, it only covers losses caused by damage to the ship, or when the cargo is lost (or thrown overboard) at sea during an emergency. You could cut your costs even more (and increase your risks accordingly) by only purchasing "total loss" insurance. In this case, you will only be covered if the vessel sinks, explodes or burns down.

Remember that, as a rule, insurance policies do not protect you against losses caused by "acts of God", acts of war, and losses due to negligence in packing or loading, as well as losses due to some inherent characteristics of the goods being shipped.

Do not forget that it is wise to insure your goods for more than their actual costs if loss or damage in transit causes additional losses or liabilities.

Letters of Credit

Letters of Credit are the best tool available to protect you and your client from the problems of goods which do not meet specifications or arrive too late, and problems of non-payment. Since Letters of Credit are such an important element of the export business, we have included an entire section (see below) on this subject.

Political risk

Political risk is not generally a significant risk if you are involved in straight exports. At the most, you are at risk while the goods are in transit, in case a war or revolution closes the port and you cannot complete the transaction. The risk can be higher if you are producing something to your client's specification, and if there is no other market for it. Political risk really becomes a factor if you are involved in long-term projects or if you are considering making an investment in the country.

Fortunately, the Export Development Corporation (EDC) can insure you against political risks. The procedure is actually fairly simple and the cost is generally low enough not to constitute a barrier. Obviously, even the EDC will shy away from insuring you against political risks in certain countries. If you are interested in pursuing opportunities in high-risk countries, you should consider requiring full payment in advance (see page 92 for further details on EDC).

Currency hedging

Several months may go by between the time you agreed on a price and the time the goods are delivered and you get paid (in the case of a construction project, it may even be a few years). This poses two problems: one is inflation, the other is currency fluctuation.

Inflation has not been a problem in Canada over the last few years, but it still is in other countries. The best way to protect yourself against inflation is to peg your price to a given date and agree with your client that it will be adjusted, on the day of payment, according to a recognized, third party inflation measurement index.

Currency fluctuations are a different problem. If you accept payment in the local currency (assuming it is a "hard" freely convertible currency), you are taking the risk that it may lose value against the Canadian dollar. If you require payment in Canadian dollars, you are asking the importer to shoulder the risk, something he may be reluctant or even unwilling to do. You may quote your prices in U.S. dollars, at which point you, and your client are at risk.

Do not despair, with a little help from your bank, the problem can be solved. It is called "currency hedging".

Let us assume that you close a CAN $1 million deal today with a South African importer of prefabricated housing, with delivery in exactly six months. The bank will look at the "forward currency" market and buy CAN $1 million payable in South African Rands, for delivery six months from now. At the time of this writing, because the Canadian dollar is trending up against major currencies and the South African Rand is trending down, there may be a premium of up to 5 percent on such a trade. If the importer is willing to pay the premium, the bank will allow him/her to pay that amount on the due date and you will receive your full payment in Canadian currency.

By hedging, the currency exchange risk was transformed into a known cost, without fluctuation risks. It is generally easier to make a decision in the face of a known cost that in the face of an unknown risk.

Liability insurance

There two types of liability insurance: product liability and professional liability. Product liability insurance covers you against lawsuits caused by defects in your product. Professional liability is directed more to architects, engineers and other professionals. It covers against lawsuits resulting from disputes arising from their work. Depending on the situation, you may obtain your international liability insurance coverage from the same company which already covers you in Canada. In others, you may have to purchase special insurance on a country-by-country or even project-by-project manner.

Project bonding and guarantees

If you are involved in an overseas construction project, and especially if the local government is your client, you will be faced with the need to provide specific guarantees which protect the client at every step of the project. For details on Bid Bonds, Performance Bonds, Advance Payments Bonds, Labour and Materials Payment Bond, and Warranty and Maintenance Bonds, see the section titled "Bonds and Guarantees, How Importers Protect Themselves".

Making Sure You Get Paid

One of the major concerns of companies involved in international transactions is making sure they will get paid. Over the centuries, business people involved in international transactions have developed a practical solution to this problem: the Letter of Credit (L/C), also known as Documentary Credit.

What Is a Letter of Credit (L/C)?

An L/C (this is the way it is generally referred to) is a guaranteed promise of payment issued by a trustworthy bank. In essence it says that if you, the exporter, fulfill all the requirements spelled-out in the L/C, the bank will guarantee payment for the goods, in accordance with the terms of the L/C.

How Does an L/C Work?

Opening an L/C

The process starts when you and your client agree on a deal. Let's say that you and the prospective importer have agreed that you will ship six prefabricated housing units, worth $73,000 each, to Osaka, Japan. You have agreed on a quantity, on a price, and on a detailed description of the goods. In addition, you have also agreed that the transaction will be CIF (Osaka) and that payment will be 30 days from delivery. The bank prepares the L/C and sends it to you. As a rule, the Japanese bank will have some arrangement with a Canadian bank and the L/C will be forwarded through the latter.

Meeting the requirements

Once you receive the L/C, read it very carefully (don't be afraid of returning it if there is any mistake in quantities, description, date or even spelling!). If you agree with it, you proceed to prepare the goods for shipment (packaging, crating, etc.) and to produce the required shipping documents through your freight forwarder. The goods are shipped according to instructions and eventually presented to the importer for inspection.

Presentation, acceptance and payment

What happens next may appear somewhat complicated, but in these days of electronic transmissions, it actually takes very little time.

First, the importer signs the appropriate documents agreeing that the goods are in conformity with the L/C. Next, the acceptance documents are delivered to you, or to your agent, who, in turn, presents them to the bank, together with the L/C. The bank will transmit these to the issuing bank, who will check the documents to satisfy itself that all the requirements of the L/C have been met. If satisfied, the issuing bank will give the importer the documents needed to take delivery of the goods, while releasing payment to the exporter.

In the case of our example (the shipment to Osaka, Japan), you, the exporter, agreed to a 30-day credit period. The bank will inform you that the transaction has been successfully completed and will give you the date when payment will be credited to your account.

Words of caution about L/Cs

Some words of caution at this point! First, let's say that your client is in an emerging Eastern European state, or in an underdeveloped country. Should you trust the local bank anymore than you can trust the client's own ability to pay? Unlikely. In this case, you should insist (and we insist on the insist!) that the L/C be confirmed by a Canadian (or any other trustworthy) bank. A confirmed *L/C is a Letter of Credit which is guaranteed by the confirming bank. With an L/C confirmed by a Canadian or any large international bank, you should be safe.*

Another area which can result in considerable grief for the unwary exporter is the revocable/irrevocable characteristic of the credit. Irrevocable credit means that nothing can be changed or cancelled in that L/C without all the parties' prior agreement in writing. All parties include you, the importer and the issuing bank. Revocable credit means that the terms of the L/C can be modified or cancelled without your consent.

Accepting revocable L/C's is a recipe for disaster. It can, and eventually will bankrupt you! If your relationship to a client requires an L/C, then it requires an irrevocable L/C.

Transferability

If the transaction is big and you need the cash to produce the goods, you may have to negotiate the L/C. This can only be done if the L/C is "transferable" or, even better, if it is "freely negotiable." To be valid, this condition must be specifically indicated on the L/C. Here again, the warning about wording applies. For example, you may be told that indicating an L/C to be "assignable" or "transmissible" is the same thing. Well, it is not! Words like "assignable" or "transmissible" are likely to be dismissed as irrelevant and not enforceable because they are not standard L/C incoterms.

One last word of caution. Whoever purchases an L/C is purchasing the right to receive the amount due, provided the exporter meets all the terms of the L/C. In other words, if you are asked, or offered the opportunity to purchase an L/C at a discount, be aware that if the exporter does not meet the requirements of the L/C, you have no recourse. In other words, don't do it!

Clearly, in order to avoid these and other L/C pitfalls, make it a point to always be assisted by a competent freight forwarder and a knowledgeable banker.

Advantages of L/Cs

Although you must be careful when dealing with L/C's, Letters of Credit are still the safest and most common method of transacting international deals. L/C's have a number of advantages, to you, the exporter, an L/C is a guarantee that, provided you meet the terms, you will be paid. It also has a further important advantage: since L/Cs can be negotiable, you can sell the L/C (provided you are creditworthy) and get the cash you require to purchase your materials and pay your employees right away.

To your client, an L/C means that his money is protected until such time as you have fulfilled all the terms of your agreement. There is another advantage to L/Cs: you might, justifiably, be reluctant to give 60 or 90 days credit to a customer in a foreign country. If he failed to pay, you would have no recourse. By using a 90-day confirmed L/C, your client gets advantageous credit terms, and you don't have to worry.

Limitations of L/Cs

L/Cs have many advantages, but also some limitations. First, many banks will only issue an L/C if the buyer deposits the equivalent amount or has a line of credit for at least that amount. This is a real problem because it means that the buyer's cash, or credit, may be tied up for several months, from the time the L/C is issued until the goods are actually received.

Another limitation is that, unless the L/C specifies that the integrity of the goods involved and the quantities must be checked and certified by an independent inspector (such as "Veritas"), it offers no guarantee that what is being received is not damaged or that there have been no losses in transit.

A further limitation of L/Cs, and one which you should always be concerned with, is that in order to receive your money, you must meet all the requirements of the L/C, and we stress all. *When agreeing to a transaction involving an L/C, you must be aware that even the slightest discrepancy between the shipment, its documents, and the L/C, may be used by an unscrupulous importer to renege on a transaction. Shipments have been refused for such things as spelling mistakes in the purchaser's name.*

Bonds and Guarantees – How Importers Protect Themselves

Remember, to the buyer, you are the one who is far away, different and risky. If your business relation only involves the exporting of housing components which can be counted and checked upon arrival, then both of you can be protected through the use of a Letter of Credit. But, if your business relation involves a housing development, a common enough situation for professionals, construction contractors and developers, the buyer requires additional protection. In this case, the buyer will likely ask that you provide him/her with the appropriate bond, to ensure the entire project will be completed on time and on specs.

There are basically five types of contract bonds you should become familiar with:

Bid Bond

In all likelihood, this is the one you are already familiar with as it is routinely requested by local and foreign construction project purchasers alike. The Bid Bond is a guarantee to the importer, backed by a trustworthy insurance company, that if the exporter is awarded the contract, but refuses to sign it or fails to fulfill the requirements (including the posting of a performance bond), the importer will be indemnified. As a rule, the indemnity covers the difference between the price quoted by the exporter and what the importer may now have to pay to the next in line.

You cannot refuse to post a Bid Bond, but you should question, and possibly refuse to bid if the required Bid Bond is excessive and is above the normal range of five to ten percent of the expected value of the contract.

Performance Bond

Performance bonds must generally be posted at the time of contract signature. A Performance Bond is a guarantee, backed by a trustworthy insurer, that you will complete the project or otherwise perform the duties under contract. If you fail to perform your duties as per contract, the importer will be reimbursed for his losses.

Contrary to Bid Bonds, which range between five and ten percent of the project value, Performance Bonds are usually set at 10 percent of the project value, or above. For example, if you are being asked to build a demonstration unit for a World Fair or a large trading show, the client may feel that failure to complete the project on time and on specs will cost him much more than the actual contract amount.

Think carefully before you enter into a contract involving a substantial Performance Bond. Are you sure you can meet all the terms? At the very least, make sure you insert a few clauses protecting you from occurrences beyond your control.

Labour and Materials Payment Bond

In certain countries, as in certain Canadian provinces, the law provides that subcontractors and suppliers may attach liens against a property if they are not paid promptly for their goods and services. A Labour and Material Payment Bond is a guarantee, backed, as usual, by a trustworthy insurer, that the bank will clear all liens attached to the project by suppliers and subcontractors.

Advance Payment Bond

It is not unusual for the buyer/importer to make advance payments to the exporter. There are several types of advance payments. Some companies require a down payment of 10 to 30 percent with the order, others only require payments to cover materials and supplies as a project advances (even before shipment). As in other cases, the Advance Payment Bond protects the importer against losses which might occur if the exporter fails to complete the project on time and on specs.

Warranty and/or Maintenance Bond

Most of the components of a building, and in most cases the building itself, are generally covered by a multi-year warranty. This type of bond, as its name implies, covers the importer if the exporter fails to perform the tasks detailed under the warranty, or to perform maintenance as provided by the initial export contract.

The difference between bonds and guarantees

There are two ways of satisfying an importer's request for guarantees. The first is through what is called a "Surety Bond." The second is a "Letter of Guarantee". The differences between the two are small, but important.

The "Surety Bond," is known as a "conditional guarantee" instrument. If the bid bond, performance bond, or any other guarantee is covered by a Surety Bond, the importer must first prove that the exporter did not fulfill his obligations before payment can be demanded. As a rule, this has to be done in the court of the country in which the contract was signed. The insurance company can be represented at the proceedings and, in the end, both the exporter and the insurance company are jointly obliged to pay.

"Letters of Guarantee" are usually issued by a bank. The "Letter of Guarantee" is much tougher on the issuer than the Surety Bond. If the importer is dissatisfied with the performance of the exporter, payment may be demanded immediately without having to prove the case in court. It is also tougher because the bank must pay immediately with no way to stall or argue the case.

In practical terms, a Letter of Guarantee is equivalent to giving the importer a certified check that can be cashed if the exporter's performance does not match his/her obligations (or expectations).

Letters of Guarantee are usually requested to cover Bid, Performance and Warranty Bonds. Most large projects, and just about every government project in Asia, Africa and the Middle East, will require a Letter of Guarantee. Unless you are dealing with a one hundred percent trustworthy client, and even then, we would recommend that you always try to go for a Surety Bond and always avoid Letters of Guarantee.

Who Do I Talk To and How Much Will It Cost?

Any large Canadian bank which is prepared to work with you on an export project will be able to advise you on this issue. However, when choosing a bank to help you in a specific export project, you should try to do business with one well acquainted with the country you want to export to. A bank which has its own full-service branch in the city your client is located, is better than one which is represented by a "correspondent" bank. A big bank with clout is better than a small bank without it. In any case, you might want to contact such specialized institutions as the Export Development Corporation (EDC) and review what they have to offer in terms of Surety Bonds and Letters of Guarantee.

What about costs? Before worrying about costs, you will first have to find a specialized insurer or a bank who is willing to issue a guaranteed instrument on your behalf. Most of them will only issue it if you are a well-established company, or if you can provide 100 percent collateral. When you find an issuer who is willing to issue the bond, you should expect to pay between 0.5 to 1 percent of the value of the contract for each year the bond is outstanding. This amount may increase rather considerably if the bank has some concerns about the importer or the stability of the importing country, or, for that matter, about you.

Reaching the World Through the Internet

Close to 30 percent of Canadian housing industry companies interested in exporting already have a Web site on the Internet, and 60 percent more are planning to build one in the near future. Most of them intend to use their Web sites as a business tool, either to promote their product, or provide detailed product information to prospective clients. One thing is for sure, given the relatively low cost of establishing an Internet "presence", the Internet is likely to become a significant export tool in the next few years.

The Internet today

In order to visualize the functions and properties of an Internet Web site, one can think of an electronic Yellow Page. As in the Yellow Pages, one can put a name, address and phone number, or one can place a full page ad. The main difference between a Web Site and the Yellow Pages is that a Web site is instantly accessible worldwide by anyone connected to the Internet, instead of being limited to the residents of one city. There are probably as many as 30 million people connected worldwide to the Web today, and the number is said to be growing by at least 5 percent a month.

In addition to being instantly accessible, a Web site is not limited in size to a quarter inch, a half-page or even a full-page ad, as is the case in the Yellow Pages. A Web site can consist of any number of linked pages containing an abundance of information and promotional material. A Web site can include text, full color pictures as well as sound and, shortly, full video. Another fundamental difference between an ad in the Yellow Pages and a Web site is that an advertisement in the Yellow Pages can only be updated once a year, while a Web site can be updated any time, day or night, and changes take effect instantly.

One of the greatest strengths of a Web site is that individual words and pictures in a page can be linked to outside sources of information. For example, the user can click on the word "roof" in the description of a prefabricated house available for export, and be immediately transferred to another page containing additional information on that aspect of the house. If desired, there may be several levels of depth of information, enough to satisfy all types of clients. The client can also click on the words Royal Bank in a sentence and be immediately transferred to the Royal Bank's own Web site. The user can, at any time, return to the original or any previously accessed pages. It is this linkage/navigation capacity which makes the Web such a powerful "information" research tool. Finally, it is expected that in the near future, Web sites will be able to support actual monetary transactions through the use of "e-cash" or similar secure transactions.

How to use the Internet as an export tool

Despite all its presentational capabilities, a Web site will not attract a very large number of potential clients on its own, it needs to be promoted. A Web site can, however, easily provide interested clients with a wealth of focused information, once the awareness of the potential client has been raised. As a matter of fact, because a client can navigate through a Web site and can zero-in on exactly the information he/she desires, a Web site is probably one of the most effective means of disseminating company or product-specific information to targeted audiences.

Although it is highly unlikely that potential clients would make a purchase decision on a house or housing related item only on the basis of information gathered on the Internet, this information could nonetheless be a determinant contributor to the process.

A Web site also has a considerable cost advantage. You can put the equivalent of a multi page, four color product catalogue on the World Wide Web for a fraction of what it would cost you to produce a paper catalogue. Furthermore, you don't have to print it or mail it. It is always available, you can never run out, and you can add or withdraw products, modify features, add information or change prices any time you wish. The changes become effective immediately, worldwide.

The only limitations are that your clients, and your prospective clients must have access to the World Wide Web, and that they must know where to find you and be motivated to do it.

7. With or Without a Local Agent?

Let's say that you want to sell parquet flooring in a foreign country. In all likelihood, the final consumer, probably a builder, renovator, interior decorator or an individual consumer, will buy the flooring from a local store which may, or may not, hold its own inventory. The store will probably get the parquet from a wholesaler who carries an inventory. The wholesaler may, or may not, be the importer.

The question is: do you want to sell to one national importer/distributor? To several regional ones? Do you want to sell directly to individual store chains, store groups or even to large individual stores? Or do you plan to sell directly to builders, renovators or even directly to consumers?

Depending on your answer, you may be able to do the selling yourself, or may require a local agent.

It is possible for you to identify two or three possible large importers/distributors, contact them, visit them and start doing business directly. Slowly, at first, then in larger volumes.

It is probably less realistic to do so if you are going to target smaller regional distributors or individual stores. In this case, you should consider an agent.

A good agent is always an asset to a small inexperienced exporter. The agent knows the country's environment, culture, distribution system, consumer wants and likes, etc. A good agent can also be of valuable help to adapt your product to the market. But, more than anything else, a good agent is on the spot and does not suffer from problems created by distance nor difference. An agent can visit more clients, more often, at a fraction of what it would cost you and be invaluable in providing after-sales follow-up and competitive intelligence.

An experienced agent will be able to spot new business opportunities, guide you through the local customs and regulations, translate your promotional material and greatly increase your export performance. A good agent is also very hard to find!

Last, but not least, some countries will only let you do business through a local agent.

Types of Agents

There are several types of agents you might consider. Each type has advantages and disadvantages, and you probably should decide which type of agent you want before you start your search for the "perfect" agent.

Commissioned agents

The most common agreement involves paying a straight commission on completed sales. Working through a commissioned agent minimizes your risks because payment is not made until a sale is completed. The big drawback is that most experienced agents tend to shy away from straight commission arrangements, and you may end up with a less knowledgeable, less well-connected agent. A commissioned agent may also be unwilling to spend the money or time necessary to display and promote your products adequately. The most important drawback, however, is that if you product is more difficult to sell than another one, and this is likely to be the case, at least in the beginning, the agent may spend more time on another, easier to sell product instead.

Experienced exporters say that commissioned agents are best for distributing well-known, easy to sell products in out-of-the-way places.

Agents on retainer

If you are getting involved in a large housing project which may take years to come to fruition, you should consider an agent on a fixed retainer. In this case, you pay your agent an agreed sum per month, whether there are sales or not. The advantage of this type of agent is that he/she may be willing to spend a lot of time on your behalf studying the market, translating materials, following up on leads and briefing you on how to improve your chances of securing some business. An agent on retainer will generally do that willingly, because payment is for the time spent working, not for sales results.

On the other hand, there is really no incentive for a retainer agent to put more effort than agreed upon, because the retainer is a fixed amount.

Experienced exporters say that there are three situations in which you may want a retainer agent. The first is when you want somebody locally to watch over developments on your behalf. For example, if the government is considering embarking on a large social housing program, you may want to have somebody to keep you informed so you may be ready when the time comes (hopefully ahead of the competition). Large companies have been known to keep retainer agents for years and years in potentially promising markets. As a small undercapitalized company, this may not be an option you would seriously consider.

The second situation, already alluded to, is when you are dealing with large-scale projects which may take several years to mature, and therefore, not be attractive to commissioned agents.

The third situation is that, quite simply for legal or traditional reasons, a retainer agent may be the only type available in that country.

The retainer/commissioned agent

If well managed, this could be a winning combination. The retainer should cover the agent's fixed costs, as well as advertising and promotional costs. On the other hand, the agent's main income is still dependent on sales performance. A reasonable mixed retainer/commissioned formula should attract more experienced agents. This option also seems reasonable for long lead time projects, where straight commission would not work.

Canada-based agents

These come in many flavours: some are Canadians already doing business with a given country, who are interested in piggy-backing some related or unrelated products. If you find somebody who is already exporting housing related products to your target market and who would have an interest *and an advantage* in adding your product line, you may have hit the jackpot.

Some are foreign nationals with long-established ties with Canada. They tend to work on a wider range of products.

Working with an Overseas Agent

One of the worst mistakes you can make is to sign up with an agent because he contacted you and offered his services. Remember, in all likelihood, you are going to have an exclusivity agreement with your agent. If the chemistry does not work, or if the agent does not perform, you may be stuck for quite a while before you can change. Worse, if the agent you chose has a bad reputation, or behaves less than professionally, he may harm your product in that market.

To avoid all these problems (or at least try to), you should be very careful and deliberate in you selection process.

Defining what you want

Determine the type of agent you want. Do you want a "door opener", a "seller" or a "minder"?

What type of agent do you want?

Door openers are agents with good local connections. In some countries, you cannot do business without their help. In others, they make it easier for you to meet prospective clients, be they from the private sector or government.

Sellers are, as the name implies, agents who are specialized in selling. In some cases, however, they are so specialized that they do nothing else. They will sell your product if it fits the local demand and if it is competitive, but they will not spend their time helping you get there.

Minders are generally retainer-type agents. They tend to help you, but may not do much selling.

Once you have determined what you want, you should have no trouble in deciding whether the agent should be a commissioned one or on a retainer, or yet a combination commission/retainer agent.

What are you looking for?
Determine what are the most important qualities you will require from your agent. For example, do you want somebody who is well connected in the market, with many years of experience and is also the agent for a number of related housing products, or would you prefer (or be satisfied with) a younger, perhaps more eager agent who is starting his/her business?

What services do you expect from your agent?
Determine what functions and services you expect your agent to perform: strictly sales? How about market intelligence, promotion, local advertising, after-sales servicing, training, translation of technical and promotional material, etc.?

If you are going to get involved in larger projects requiring proposal writing and bid preparations, you probably want an agent who has demonstrated experience in handling this type of responsibility.

How will performance be measured?
Decide how you intend to measure your agent's performance. If this is clear in your mind ahead of time, it should make negotiations a lot easier. Remember, for best results, an agent's performance should have a direct relation with that agent's remuneration, and therefore determine that agent's priorities.

What responsibilities will you be assuming?
Check the local legal requirements. What kind of obligations are you assuming? Under the laws of certain countries, your agent is your legal representative and you may be held liable for his/her actions, or even for unpaid expenses.

What facilities do you expect the agent to provide?
Last, but not least, decide what kind of facilities you expect your agent to have. An office with a receptionist and technical staff? Will a lone agent constantly on the road do? Do you require the agent to be accessible by phone, cell phone, e-mail, fax?

Finding an Agent

There are several sources that you may be able to use. The first is the Canadian Trade Commissioner responsible for that country. That source may be supplemented by your provincial trade representative, if there is one. Another excellent source of information, usually, is the local Canadian Chamber of Commerce. In fact, there are two possibilities, rather than one. For example, if you are targeting Brazil, you can contact the Brazil-Canada Chamber of Commerce in most large cities in Brazil, as well as the Canada-Brazil Chamber of Commerce in Toronto and other major Canadian cities.

Specialized trade shows are another good source of information about agents. As a matter of fact, large clientele agents, or the more aggressive ones, are likely to be present. Indeed, presence at important local/regional trade shows is probably a good criteria to consider in selecting an agent.

Foreign embassies and their consulates will generally be eager to help you find an agent in their country. They may even provide you with a detailed list of all specialized agents available in the country.

As usual, clients, suppliers and even competitors, can be a good source of information. The advantage being that you know them and may trust their judgment further than you would an official you do not know.

Qualifying a prospective agent

Now that you have a list, you have to sift through until you make a choice. The first thing to do is to gather as much relevant information as possible. This can be done by writing (or faxing) a request for detailed information directly to each candidate on the list. You will probably want to set aside those who do not respond. If you want to cast a wider net, you should have your fax translated into the local language and arrange for translation of responses. You should not expect local agents to express themselves fluently in English. This is especially true if you want a smaller local agent with good local experience and do not care for his/her international business background.

All candidates should be required to list business references. If possible ask for references from U.S. or Canadian companies they have been working with for a while.

Once you get down to only a few candidates, you should approach the Canadian Embassy and Chamber of Commerce and ask them for their assessment. You may be surprised at how forthcoming and candid they can be when not asked to put things down on paper.

The interview

Never enter into an agreement with the prospective agent without at least one face-to-face meeting. Better yet, you should consider meeting twice: once in Canada and once at the candidate's place of work (or more likely at your hotel during your first visit).

It is a good idea to develop a specific questionnaire to guide your interviews. This will ensure that you cover the grounds with all the candidates. If you can, join your prospective agent in at least one or two business calls. This will give you additional information about who he/she does business with, how well received he/she is, how well he/she performs, etc. But don't forget that the agent is expected to be efficient in the local context, not in the Canadian context.

Drawing Up the Agent's Contract

Before you enter into an agency agreement, or any agreement for that matter, make sure that you check with the Canadian Embassy and Chamber(s) of Commerce. You will want to know if the local legislation, as it applies to agency agreements, has any special wrinkle that you should be concerned with. You will also want to know what is the practical value, if any, of such a document.

Once you have settled that issue, selected the prospective agent and determined such items as remuneration, contribution for advertising, travel and promotional expenses, obligations, performance expectations, etc., it is time to draft and sign the agency contract. It does not have to be complicated, but it is best to put it in writing and be vetted by your lawyer.

The agency contract should include the following information:

The name of the agent and/or the agent's company, address, etc. The objective is to identify clearly who you are doing business with. This includes naming the owners of the company (if it is a sole ownership of partnership) and specifying who will be the person responsible for performance in the contract. If the agent's company has several partners or principals, you may want to specify the person in charge, and clearly spell out that this person cannot be changed without your written consent.

The date the agreement is signed; the date it will run out; when and how it can be terminated or extended. For your protection, you should strive for an agreement which allows you to cancel it "without cause" in the first six to twelve months. You should also make sure that the agent cannot walk away from the agreement without giving you ample notification.

Try to be as precise as possible in defining the territory to be covered by the agent. Don't be afraid to start with a smaller territory and increase it as performance improves. Never give an agent more territory than he/she can handle, because what cannot be managed will either be ignored or handed over to a sub-agent (with whom you may or may not be happy, for no other reason than it tends to increase the agent's fees). A good idea is to attach a map showing the exact territory.

If necessary, you should also specify the markets the agent will service and those he/she will not. For example, the agent may serve all accounts except government purchases, which you may wish to serve directly or hand over to another agent. You should clearly specify whether the agent gets exclusivity or not within the territory.

In addition to territory, you also want to specify what products and services the agent will be responsible for. There is nothing wrong in having two agents in the same territory if they offer different products or serve different types of clients.

Try to be clear in your definition of the agent's responsibilities: prospecting for new clients? Advertising? Promotion? Sales? Installation? Warranties? Maintenance? Etc. This is also a good place to specify what your responsibilities will be vis-à-vis your agent.

Clearly spell out which laws will govern the contract. If you can, make it Canadian laws. One way to do this is to invite your agent for a visit to Canada and sign the agreement while he is here. Having the agreement signed in Canada is not enough, but it is a good start. Remember, however, that a number of countries require that agency agreements covering their territory be governed by their laws and answerable to their courts.

If protecting your brand name and other trademarks is an issue, make sure that this is clearly addressed in the agreement. This is one area where legal counsel is strongly advised.

Include a conciliation/arbitration section. In this section, you and the agent agree in advance that if there is a problem, you will solve it via conciliation and binding arbitration, rather than using the courts. You may even specify how the conciliator/arbiter will be chosen.

Exporting Without an Agent

If you decide to export without an agent, or if you cannot find one, there is always the option of exporting without one.

Builders and developers who sell their services to foreign governments and international development agencies often operate without an agent (some international development agencies refuse to reimburse agent's commissions). As a custom builder or specialized supplier, you may also find that your market is small enough and defined enough to be tackled directly. Alternatively, you may consider using one or more local distributors or a trading house. Finally, you may also consider using a Web site on the World Wide Web as an overseas selling tool, even as your primary one.

Using local distributors

Distributors differ from sales agent in at least one critical aspect: they pay for the products they import. Importers/distributors typically act as wholesalers. They own the inventory and control the distribution to the retail level.

Distributors can be exclusive or non-exclusive. Exclusive distributors are the only ones permitted to sell your products in the geographical area for which they have exclusivity. Sometimes, a distributor will have exclusivity only for a certain type of client (for instance government, the army, hospitals, etc.), while another distributor will service other clients in the same area. If you have several product lines, you may also want different distributors for each line.

A good distributor can be extremely helpful in helping you develop a new market with little or no risks. However, a bad distributor can also freeze you out of a market at a crucial time. It is not uncommon to hear exporters complain bitterly that they gave exclusive distribution rights to a distributor and later found out that the distributor was using that contract to keep them out of the market while pushing a competing product.

Even if the distributor is honest and efficient, you may be giving away more than you realize. Years ago Mr. George Cohon, a B.C. attorney, approached McDonald's and asked for the rights for Canada. The McDonald's Restaurants were just beginning, they could not see that far ahead. Although McDonald's had a policy of not giving more than one franchise per franchisee, George Cohon got half of Canada.

By-and-large, a distributor is not a franchisee. A distributor does business under his/her own name. A distributor may, or may not (depending on agreements), be able to carry competing products, and he/she, not you, may decide on the marketing and pricing strategies.

Finding, qualifying and contracting a distributor

Finding, qualifying and contracting a distributor involves much of the same activities involved in finding a good agent. Please refer to the appropriate sections above.

Trading companies

Some of the very largest companies in the world, like Sumitomo, Mitsui and Mitsubishi, are actually specialized export distributors operating in a wide range of products and markets, in very large volumes.

International trading companies have some powerful advantages: they reach almost all the world and their operating costs are competitive. As a matter of fact, these costs can easily be lower than the four to ten percent commission charged by small agents. International trading companies also have two big drawbacks. First, you may not know who your product is actually being sold to. You may never gain any significant market knowledge. Second, and more importantly, these companies have access to multiple sources of suppliers. If your product sells well, they will likely find another supplier to manufacture it for them at a lower price.

This being said, there are many Canadian manufacturers who have established long-standing, profitable relationships with Japanese and other trading houses.

8. Preparing Your Export Plan

Why a Plan?

If you are like most small and medium-sized housing businesses, you probably do not have a business plan, or at least not a formal, written one. Experience shows that because you are thoroughly familiar with your clients, your suppliers and your competitors, you can carry the whole plan in your head and do not need to write it down. After many years of exposure to your export target market, you may gain the same level of comfort you have with your home market and do away with written business plans, but for the moment, you really need one.

We recommend that you use a loose leaf binder divided into sections. This way, you can easily update individual sections without disrupting the whole document.

The major sections of your export plan include:

- Company objectives and strategy (for details see Chapter 4)
- Target market choice (for details see Chapter 5)
- Detailed target market study (for details see below)
- Becoming competitive in the target market (for details see below)
- Export calculation and price list (for details see Chapter 6)
- Export promotion and advertising (for details see below)
- Overseas distribution (for details see below)
- Agent selection (for details see Chapter 7)
- Export financing (for details see below)
- Export insurance (for details see Chapter 6)
- Sales and other targets (for details see below)

How Flexible Should Your Export Plan Be?

Experience shows that you will never have a final version of your export plan. As you gain more knowledge about the market, you are likely to refine your products. As you become better acquainted with the local competition, and they with you, you will likely want to change your products and prices. A good export plan is like a good home market business plan, always evolving, always flexible, but focused!

Your export plan should help you make decisions. A good export plan will even help you make the right decision at the right time.

Focus on the Target Market

Always make sure that your export plan is focused on your target market. One technique is to show your export plan to people who are more knowledgeable than you about that specific country or region. These may include government Trade Commissioners, immigrants from that country, Canadian expatriates to that country, university professors and non-competing exporters to that country (including some of your suppliers and clients). You do not have to include the section outlining your decision on product features, prices, etc. If you exclude information on prices and specific features, you should probably be safe in discussing your export plan even with some potential competitors.

Selling Goods or Services?

Engineers, architects, surveyors, consultants and general contractors export services rather than products.

Service exports generally fall into one of three categories:

- Services, such as architectural drawings, which are performed in Canada for use overseas.
- Services, such as training, in which the foreign client comes to Canada to receive the service.
- On-site services, such as project management or consulting, which are, at least in part, provided overseas.

There are important differences between exporting services and exporting goods. For example, while an exporter of goods will focus on customs regulations, an exporter of on-site services will focus on immigration and work-permit regulations. Language and culture familiarity, as well as in-depth knowledge of the whole country environment are also much more important for service exporters.

One major difference is in the area of selling: service exporting is best done directly, without the use of agents or intermediaries, unless you develop a strategic partnership with a local provider of complementary services. As a matter of fact, service exporting works best when sales calls and negotiations are performed by top professionals, rather than company sales representatives.

Another key area is promotion. Service exporters are highly dependent on visibility and credibility. International endorsements from well-known clients are very important, straight advertising, much less so.

Experienced service exporters try to build local visibility by participating, as guest speakers, in conferences and seminars. They also attempt to gain "independent" media coverage. At the very least they try to be quoted in industry newsletters and other such publications.

In many countries, service exporting requires repeated visits leading to the development of personal relations with industry insiders and potential clients.

Selling a Product or a Package?

When Corian was first introduced years ago, it bombed! The company found out that craftspeople did not know much about it, in general, and did not know how to make the crucial seamless joints, in particular. The company decided that to be successful, it would have to focus on selling a package made up of the product itself, Corian, and a considerable amount of tradespeople training. The company developed a training program which led to a Corian certification and the problem was solved.

Although your case may not be similar to the one described, the success of your product may depend on the way it is presented and used. In other words, you are offering a package, rather than a simple product.

Identifying whether you are offering a product or a package may not be that obvious. In many cases you are the one selling your product and you do it a certain way. Ask yourself whether someone without the benefit of your experience could be successful, or at least as successful as you are, in selling your product. If the answer is no, you should consider franchising (see Guide titled "Growing Overseas Through Licensing and Franchising" for full details) rather than simply exporting.

Detailed Target Market Study

Selecting a target market is only the beginning. You must now proceed to a detailed market study to determine if the target market you selected is really the one on which you should focus all your attention, energy and resources. How much effort this will take depends on how remote and how different your target market is. Successful exporters insist on saying that each hour spent learning about your market saves you a hundred later, and that each dollar invested saves you twenty.

What are the questions?

A market study does not have to be complicated, but it does need to be well organized. The first task is to define the questions you would like answered. The questions themselves depend on your product and target market, but they also depend on your size and strategy. For example, if you are a small manufacturer of quality single-pane wood-frame windows currently pursuing a short-term profit objective targeting Chile, your question list might look like this:

- Is there a demand for high-quality single-pane windows in Chile?
- Would my products meet market requirements?
- Would my prices be competitive?
- Can I get a distributor?

This would probably be sufficient because you are looking for a small "niche" market and you will be using an importer/distributor who will take all the risks.

Things would be different if you were looking for a significant market share in a completely unfamiliar market. For example, if you were a manufacturer of aluminum-clad, double-glazed, low-e windows, interested in sizeable exports to Taiwan, with a view to eventually manufacturing there, your list of questions might look like this:

- Are aluminum-clad, double-glazed, low-e windows already in use in Taiwan?
- What are they used for (energy conservation, decoration, safety)?
- What are the alternative products available on the market (single-pane, double-glazed/wooden frames)?
- Where do competing products come from (high-cost producing countries, e.g. U.S., or low-cost producers, such as China)?
- Is the culture, society and political system favourable to up-scale housing expenditures?
- Is Taiwan open to aluminum-clad, double-glazed, low-e windows imports?
- How are windows in general, and aluminum clad, double-glazed, low-e windows (if any), in particular, distributed in Taiwan?
- Are distribution channels "open" or controlled by some local manufacturers (as would likely be the case in Japan)? Who will bar your access to the market?

For each type of use (residential, commercial, institutional or other) you might then ask:

- How many windows are purchased each year (in units, in dollars)?
- By whom? Organizations or individuals? If individuals, what is their revenue, education, age, family structure, ethnicity, language, rural/urban, region/climate. Are they yuppies/traditionalists, expatriates?

- What is the size and trends for each group of potential clients (small, large, steady, strong growth, decline)?
- Why are current clients buying aluminum-clad, double-glazed, low-e windows rather than competing products (features, price, novelty, prestige, availability)?
- Why are purchasers of other windows selecting those, rather than aluminum-clad, double-glazed, low-e windows (price, tradition, availability)?

Where to look for information

Your sources of information are probably going to be the same already used to select your target market, but written sources may now become more important. Also, at this stage, you may decide to spend some money to have specific information collected on your behalf.

From information to answers

Unless you hit upon a specific study undertaken by a local consultant or a university, it is unlikely that you will find direct answers to all your questions. As a rule, you first have to collect related available information that you can then interpret to answer your questions.

For example: there may be no information at all on sales of aluminum-clad, double-glazed, low-e windows in Taiwan as a whole, and even less so for specific age, income, education groups or regions, but there may be some statistics on housing construction and renovations by size or value. After discussions with some of the more knowledgeable individuals already contacted when you selected Taiwan as your target market, and after running a small survey of up-scale Taiwan builders, you may decide to use 10 percent as the current percentage of urban upscale houses being fitted with aluminum-clad, double-glazed, low-e windows. This would then make it possible to "estimate" the size of the market.

Confirming Your Target Market Choice

Now is the time to confirm or change your target market choice. It is possible, or even likely, that your detailed market study has revealed additional information which may change the attractiveness of your proposed target market. Remember, as a novice exporter with limited resources, you put all this effort to choose the best possible target market. If new information points to some weaknesses, risks or limitations, it may be best to step back and have a fresh look at the whole issue. Changing your target market now may be an inconvenience, insisting on venturing into the wrong one could be much worse.

Fourteen Steps to Competitiveness Abroad

By now, you should have a better understanding and more information about your target market. The reason you need this knowledge will soon become apparent. In this section, we will review the fourteen steps to getting your products (or services) ready for successful exporting to your intended target market.

Going through the fourteen steps, you will discover that you lack the information required to complete some of the steps. Rather than skipping, go back to the sources and dig some more. If the information is not available, do not despair, you will probably be able to get it during your first visit to the country. But remember, this means that you should leave some extra room to further adjust your product, as additional information becomes available. "Freezing" the product design and characteristics too early is one of the most common mistakes responsible for poor export results.

1. **Adapting the functions**
   A first-class Canadian kitchen is likely to include an indoor barbecue for use during the winter. It is unlikely that a barbecue would be included in a tropical kitchen. To avoid offering products which embody the wrong functions, you should make sure that your product is designed for and is compatible with the functions required or simply desired in the target market.

2. **Adapting the purpose**
   Why do people use your product here in Canada? Will they use it for the same purpose in the target market? For example, people use double-pane windows to insulate against the winter cold. Will the clients use it for that purpose or to insulate against the summer heat? And if so, should certain aspects of the product be modified accordingly: e.g., tinted glass, and so on?

3. **Adapting the size, color, etc.**
   There are two aspects to this issue: standards and sizes. One is related to the use of the metric or imperial systems, the other to the actual size of housing products. If at all possible, you should adapt your products to the local measurement standards, especially if your competitors already do so.

   As to preferred sizes, for many years, and even today, European appliances have been smaller than North Americans' because grocery purchasing habits differ in both cultures. Also, overall dwelling sizes vary considerably. Japanese apartments are notoriously smaller than North American ones. Specific rooms, such as kitchens and bathrooms, may also vary in size. The importance of certain rooms may also vary: kitchens are important in North America, they may be far less so in Latin America,

Africa and certain parts of Asia where they are still the purview of lowly paid help. It is well known that certain colors such as red, white, black or green have deep cultural or religious significance in certain societies and one should not use them without understanding their impact.

4. **Adapting the performance requirements**
Canadian dwellings require considerable insulation because of our winter weather. Houses in milder climates may not require the same level of protection. On the other hand, Canadian housing does not have to be built to withstand hurricanes, tornadoes and earthquakes. Canadian housing is generally open to the outside, with large glassed in areas. Security, rather than aesthetics may be the primary concern in other markets. An up-market Latin American urban house is likely to have an eight-foot perimeter fence, steel bars on windows and doors, as well as steel doors between the ground floor and sleeping quarters.

5. **Adapting the maintenance requirements**
North Americans tend to own their houses and to be experienced at "do-it-yourself". They often own electrical drills, saws and other power tools, and what they don't own they can rent. In addition, spare parts are easily accessible. Other societies may be quite different: they may not be used to "do-it-yourself", spare parts may carry high cost and not be accessible, more people may rent than own, etc. Low or no-maintenance products may be preferred over better, cheaper, but more maintenance dependent ones.

6. **Using locally available materials**
Sometimes you can reduce costs, without reducing the quality, by using local materials. If you are going to build a housing complex, you may consider using some of the local structural, facing and roofing material, as well as interior finishing. In addition to cost reduction, this may also make your product more familiar, easier to maintain, etc. In one recent social housing project, the company was looking at using local adobe rather than concrete, and terra-cotta roof tiles instead of asphalt shingles.

7. **Adapting to the local distribution network**
Unless you have a unique way of distributing your products – this uniqueness being directly responsible for your success – you are more likely to be successful if you adapt to the local distribution network. If you want to create your own distribution network, forget about direct exports: you will need to invest, or at least create a network of franchisees (for more details, see Guides titled "Growing Overseas Through Licensing and Franchising" and "Growing Overseas Through Strategic Alliances and Subsidiaries").

8. Pricing for the local market

Unless you are selling directly to the client, without using agents or distributors, you need to determine a selling price, as well as some trade discounts. You may also have to consider quantity discounts and credit terms.

In a recent case, the exporter had only one price: FOB. The exporter sold several container-loads of products to a local distributor who became very upset when he found out that some of his clients could get the same prices and conditions from the exporter, even though they bought only by the case-load.

9. Adapting the packaging

Packaging has several potential functions. The first is to protect the product. The second is to facilitate shipping and handling by reducing space and handling requirements. The third is to help sell the product by displaying some promotional material and possibly information.

A product which is sold to the public in a self-service store must emphasize the communication aspect of the packaging. A product which is used as a sub-component in an assembly process generally emphasizes protection and handling. Because shipping and handling requirements may be more severe for exported products, packaging may have to be reviewed. Another aspect of export packaging relates to size. The quantities offered in each package may vary greatly from the home market to the target market. For example, North Americans may prefer gallon or pint cans of paint, other markets may only be able to absorb smaller sizes.

10. Branding for the local market

Branding of products is one of the areas in which most exporters fail to act reasonably. There are three types of brands: the ones that relate the product to its manufacturer, those that try to convey a meaning, and those that just sound good. Look at the brand on your products, is it company linked, e.g., Kodacolor, Kodachrome, etc.; does it attempt to convey a meaning, e.g., SafetyLok, Heatforless, etc.; or is it just intended to sound right, e.g., Coca Cola, EXXON, etc.?

If it is just intended to sound right, you should make sure it does sound right in the language of your target market. For example, Japanese people have trouble with words which contain R's. Some word twists that have no meaning or a neutral one in English may be downright ridiculous or offensive in a foreign language. For example, the Chevrolet Nova had trouble in Spanish-speaking countries because "No va" translates to "no go". If the intention is to convey a meaning, you should either be aware that the English brand will not do it and live with the fact, or change the brand to reflect the same meaning in the foreign language.

11. Adapting instructions to the local environment, language and culture

If possible, use illustrations rather than text to convey instructions. It avoids translation mistakes and can be reused across several markets. Illustrations are especially desirable in the European and other similar markets where the alternative is to include instruction in ten languages or more.

You should, though, be careful when using illustrations of people: when to use a male, when to use a female, how they should be dressed, etc. Be especially wary of using symbols and signs. For example, when using traffic symbols to indicate "wrong way", you should be aware that Canadian traffic symbols are not the same as those used in other countries and that the symbol you use may be meaningless to a foreign reader.

12. Obtaining local certifications

As is the case in Canada, building materials, many components and most systems must be certified by the local authorities before they can be used in local projects. Some countries, such as Germany, have strict, well-developed building codes and certification procedures. In other countries the situation may not be so clear cut and you should ascertain what safety and other certification you may be required to meet.

Do not forget that some countries use certification as a "non-tariff barrier". Their certification requirements border on the absurd and are meant to keep imports out of the local market. For example, for the longest time, foreign cars entering the Japanese market had to be tested individually to determine whether they met local safety requirements. If faced with such a situation, you should recognize that this is a political situation. Ask the Canadian Embassy for help and be prepared to either wait for a long time, or switch target markets.

13. Adapting to the local competition

The local competition in your target market may be quite different from the one you are familiar with in your home market. In the home market you may have the lowest prices and the best after-sales service. In the target market you may find yourself in the upper price range and prestige, as an imported product may be far more important than service. The key here is to secure a strong competitive position for your product in the target market. The mistake is to assume that your product will automatically have the same competitive position in the target market as in the home market.

14. Gathering local endorsements

A good way of determining if your product has been successfully adapted to the target market is to seek local endorsements. If the product meets local needs, preferences and ability to pay, you should be able to get endorsements from prospective clients and distributors alike. If they are reticent or unwilling, think again.

Export Promotion and Advertising

Effective selling, whether at home or abroad, requires that the client go through a sequence of four steps:

- Awareness
- Interest
- Decision
- Action

Awareness

First, the prospective client must be aware that you exist. Awareness has two components: if your product is an innovation, such as window panes covered with a 30 mil clear plastic sheet that holds the glass together even when shattered, the potential client must be aware that this product exists. The second component is that the potential client must be aware that you exist!

Awareness is generally achieved through repeated exposure: a short message highlighting the product's main feature (new, stronger, better, cheaper, etc.), the company name (if possible associated with an easily recognizable logo) and a contact address and/or phone.

The key to achieving awareness is to reach the intended clients, repeatedly, with a clear message.

Remember, just translating your advertisements may not do at all. The more different the audience, the more the message may have to be different. The media may also be different. Newspaper inserts and door-to-door flyers may not be available, or appropriate.

Interest

Once you have caught a potential client's attention, you must now feed his/her interest. The advantage is that you can now expect the potential client to make at least some effort to obtain more information. It is at this stage that brochures, demos and, where applicable, the Internet, can play a major role.

At this stage, potential clients normally seek two types of information: features and risk. Feature information relates to how the product works, how much it costs, etc. Risk information has to do with: is it safe, will it work, is there a danger of being swindled, etc. This is where brand trust, endorsements and trustworthy distributors become very important. Since you are new to the market, you might make use of the fact that you are a Canadian company. Canadians and Canadian products in general are viewed favorably. You may want to indicate that you have been in business for a long time (an important point in the Far East). You may also consider trading on the trust of your distributor, if you use one.

Another idea is to offer an extended guarantee. In any case, the best tool at this juncture is to gather as many endorsements as possible. As usual, some endorsements carry more weight than others.

One small Canadian exporter of interior finishing products has resorted to offering an unconditional money-back guarantee on the first container. Prospective clients are apparently impressed by his confidence in his products. This, in turn, reduces their anxiety and the result is higher sales due to a lower risk perception.

Decision

When the potential client has accumulated enough information, and the amount needed is directly related to how "risky" the purchase is, the client compares your product to his/her needs and to the features (and risk) of competing products. Out of this comparison comes a decision to favor either your product or the competition.

Coming to a decision is not always easy, as competing product may have advantages in some areas and disadvantages in other. This is where the client needs reassurance and where a knowledgeable, properly motivated salesperson is crucial. If possible, you should consider some form of training and reward for the salespeople who will be involved in helping clients through the "Decision" step. Arranging for this training and setting up a reward system for salespeople should be an important element when drafting an agreement with an agent or distributor.

Action

All of the above are useless if the client cannot afford the product or if the product is not available. You may be able to improve affordability by providing a smaller, simpler, less costly model. With respect to availability, you should always try to abide by a simple rule: don't spend time or money in advertising or promotion unless the product is available, or can be made available quickly enough to meet demand.

Overseas Distribution

The way your product moves from the plant to the final consumer may be similar, or very different, from one country to the next. "Big Box" stores, lumber yards and large hardware stores are often unknown in overseas markets. The number of do-it-yourselfers and of tool rental outlets may also be quite different from what exists in Canada. These are but a few of the numerous factors affecting the distribution of housing related products overseas.

Some countries lack high-volume/low-margin distributors and rely instead on a cascade of national, regional, local and even neighborhood intermediaries, each of which may add a substantial margin to the product.

In other countries, large companies either own or control the distribution networks and have a policy of freezing competitors completely out by enforcing "non-competition" agreements with distributors. Before you rush into a market, convinced of your success because of the quality and cost competitiveness of your products, try to learn enough about the distribution system to find out if it will support or fight you.

Export Financing

If you are going to limit yourself to straight exporting of goods payable by "sight" Letters of Credit, this should not be of great concern to you, unless you require financing to buy the materials and pay the expenses necessary to prepare an export shipment. In this case, provided you have a proper Letter of Credit, your Canadian bank should be willing to make the necessary advances.

Remember that a Letter of Credit may include a delayed payment. Accepting a properly 30, 60 or even 90 days *confirmed* (remember, that means endorsed by a Canadian or at least a large international bank) L/C should be no problem.

If you are going to be involved in overseas projects, you should consult your bank about obtaining longer-term project financing. Although banks are making considerable efforts to be more understanding of the needs of small and medium-sized businesses, this is generally a rather involved, and often frustrating task. One suggestion is that you try to find somebody, such as a retired bank manager with export experience, to help you go through the process.

Setting Sales and Other Targets

Finally, your export plan binder should contain a set of targets for your export activities.

Based on 6, 12, 18 months (and up to three or five years, if possible), you should attempt to establish some key targets, such as:

- Direct export related expenditures
- Direct export related resource utilization
- Sales
- Deliveries
- Market share (if relevant)
- Profitability

You should look at these targets from time to time. If you are above target in costs and resource utilization, you might want to reassess your product's competitiveness. If you are below sales projections, you may want to review your pricing and therefore, your strategy. You may also have to decide whether you want to proceed with efforts in this market. If you are above target in sales, and especially in profits, you may need to review your strategy and your prices. But, more importantly, you should consider upgrading your presence in that market from simple exporting to some form of local production.

9. Giving Your Export Plan a Reality Check

It is always wise to give your export plan a thorough "reality check" before you commit to it. One way to proceed is to divide your export plan loose leaf binder into two sections: one containing questions, information and interpretations; the other containing what you would consider sensitive commercial confidential information. The first part may be shown to a broad spectrum of people, the second only to a restricted few.

Again, you could use the same trusted personal contacts you spoke to during the target market choice and the detailed market study: friends, employees, competitors, clients, banks, suppliers, expatriates, etc., but you should now concentrate only on those with reliable knowledge of the market you finally selected. For best results, you should also include experts who were not consulted before. As usual, try to get information from more than one source.

By all means, include the appropriate Trade Commissioners and provincial trade representatives in your review team. You will soon be needing their help to organize your first trip to your target market. The more they know about you and your products, and the more you can show that you are serious and reasonably well informed, the more they will be motivated to help.

If you have not done it yet, find a Canadian business person who is actively involved in doing business in that country. He/she should be able to spot mistakes in your plan and save you lots of time and money. For example, one company was planning to export to South America using the same distribution network it had been using in Canada. An old South American hand quickly saw the mistake and explained that in South America, this type of store was geared to a completely different client group. Unfortunately, the Canadian exporter failed to heed the advice and his business fell short.

Maybe it is time to hire a professional for some "Quality Control". Let's face it, you are still new at this game and the stakes are rather high. A consultant who is very familiar with the country and its housing sector may be able to review your entire export plan for a modest sum. One big advantage is that you can show the whole document, since you are dealing with a professional who is bound by professional ethics.

Last, but not least, it is now time to get down to business, go there and have a look for yourself.

10. Getting Down to Business

In business, there is a very important concept called "closure". That is the ability to deal with a client and to have all the tools necessary to go through the awareness, interest, decision and action steps so that the sale can actually be completed.

In an export context, this means that you need such things as:

- Brochures and product data sheets in the local language(s)
- Advertising and promotional material in the local language(s)
- Business cards in the local language(s). Don't forget to include the full phone and fax numbers, as dialed from your client's location. If the area code changes from place to place, leave a space on your card to enter the additional information by hand.
- If you are going to the Orient, consider having your picture on your business card. Oriental people have a hard time recognizing us in a crowd and are very nervous about making mistakes.
- Overseas clients are likely to send you faxes. Make sure that your fax is on a separate line from your phone. Having to explain to somebody who does not understand your language that you want them to switch to the fax mode can be frustrating. Even worse, most faxes today are sent via computers who get all confused when they hear a voice rather than the expected fax signal.
- If at all possible, get an e-mail address and have it indicated on your business card. If you are not comfortable with using e-mail, make arrangements with somebody who has access to the Internet and have that person check your e-mail regularly. E-mails, even long ones, including brochures, pictures and plans, cost just about nothing to send and are fast replacing faxes as the communication mode of choice. Telexes have just about disappeared.

Get a Web Site. A simple Web Site costs relatively little to set-up and almost nothing to keep going.

These are a few, but by no means all of the things needed to get down to the real business of closing a deal overseas. Being prepared ahead of time may not increase your sales, but it should at least help you to not lose any and will certainly help you close deals a bit faster.

11. Preparing Your First Visit

In actual fact, planning for your first visit should start at the same time you establish the first contacts with prospective agents, distributors or clients. To be on the safe side, give yourself at least two or three months lead time between first contacts and first trip, time enough to complete your Export Plan.

After making sure that you are ready to handle exports, and ready to do business in that specific country, you should complete the following tasks.

Preparing the Visit

Check with the Federal Department of Foreign Affairs and with your provincial or territorial government about the availability of export development assistance in the form of shared travel costs and subsidies to participate in International Trade Fairs and Missions.

- Find out when the next major relevant trade fair or trade mission will occur, this could be a good occasion to meet prospective agents, distributors or clients.
- Get a calendar for your target country. This way you will know when the major holidays occur and avoid scheduling meetings or deadlines at the wrong time.
- Learn at least some basic sentences in the local language. It may not help much in practical terms, but it generates a lot of goodwill, and that can be of great help!
- Learn about the cultural do's and don'ts of the country: don't invite practicing Moslems for a drink or for a barbecue. Learn when to shake hands, when to bow and when to go for a bear hug. Don't send Christmas cards to non-Christians. Don't expect religious Jews to do business or socialize on Friday night or Saturday. Don't expect Latin Americans to get down to business before establishing friendly relations. Don't be nervous if your African client holds your hand and speaks to you a few inches away.
- Make appointments well in advance, but be flexible. Requesting a change of date or venue is not necessarily a sign of lack of interest.
- Try to learn as much as possible about the people you are going to meet and their business.
- Send information ahead of time, try to identify questions and answers early.

Planning the Trip

- Check your passport. Many countries require that your passport be valid for at least six months past the date of your visit.
- Check the visa requirements. Most travel agents have this information handy. Many will even have visa applications and some will take care of obtaining the visas. Give yourself plenty of time to get your visas, some countries can easily take a week or more to process an application.
- Be aware that some countries require a visa even from passengers in-transit.
- Some countries have Tourist visas and Business visas. Business visas are often expensive, and not always necessary. But if you decide to travel with a Tourist visa, be consistent when the passport control officer asks you the purpose of your visit.
- Check the vaccination requirements. If you are going to a region for which vaccination is required, or recommended, do it! And don't leave it for the last minute because some vaccinations require several shots and you are likely to feel the effects for a few days.
- Make your reservations early to be sure you get the date and flights you want. Do not assume that you will be able to modify your schedule on the fly, changing flights can be a problem in certain countries.

If possible, make a short video showing how your product is installed and examples of where it was used successfully. Have it translated in the video system used in your target market (we use NTSC; Europe uses PAL/SECAM; other countries vary and systems are not necessarily compatible)

Travelling

- Before you leave, make a detailed copy of your itinerary and leave it with somebody you trust.
- Make ample allowance for travel fatigue and jet-lag. One good rule of thumb is to allow one day's rest for each three time zones. At least, try to leave on a Friday and avoid doing serious business until Monday. Remember that this rule only applies to countries where Sunday is the weekly day of rest.
- Although you will probably be able to use your credit card in most hotels, restaurants and shops, take some U.S. traveller checks and some local currency for tips and cab fare to your hotel.
- Having one of the agents, distributors or clients meet you at the airport may be nice, but be aware that this may make it more difficult for you to deal with their competitors. This is in fact a favorite tactic in many countries where you will be offered a driver and a chaperone, all in the name of friendliness and assurance of your comfort and safety.

- If you are going to carry samples and a significant amount of promotional material, get a "Carnet". It is a customs document issued by the International Chamber of Commerce stating the goods you are carrying are only samples and will not be sold or be left in the country. Lack of a "Carnet" can cause delays and may force you to fill out import documents and pay import duties. A very unpleasant experience late at night in an unfamiliar airport, after a long flight, when all you want is a shower and a bed and the customs office is closed until morning.
- Don't forget that even with a Carnet, you may be asked to deal with the customs people. As a precaution, on your first visit, try to make sure your flight does not arrive outside of normal business hours.

Experienced business travellers never check in their samples (or at least their brochures, and hand carry enough promotional material to last for a few days). They also carry a change of clothing in their hand luggage, lost or misplaced luggage is a fact of life. It will happen to you too, better be prepared.

Managing Your Visit

- Your first call, upon arrival, should probably be to the Canadian Trade Commissioner. This is more than a courtesy visit. The Trade Commissioner should be able to review your plans and give you very valuable advice on business, social and especially on safety matters. You should also give him a copy of your itinerary.
- Keep in touch with the Trade Commissioner during your visit, let him/her know how things progress.
- If you don't speak the language, have the hotel write on cue cards the addresses you are going to. Also carry several hotel cards that you can show to cab drivers.
- Depending on the country, take the advice not to drink the water and to stay away from uncooked vegetables or fruits not protected by a skin very seriously.
- If required, take your malaria pills regularly.
- A "money belt" or something similar is often a good idea for your passport and your traveller checks, but don't carry all your valuables in one place.
- Take a photocopy of your passport and some other document (a driver's license, a citizenship card, etc.). In some countries, you may have to surrender your passport to the authorities or to the hotel. Also, if asked to produce a document by a policeman in the street, start with your alternate document.
- Leave ample time for your meetings. Do not take delays or interruptions as an insult, delays and interruptions are standard fare in many countries.

- Don't over-schedule, leave yourself plenty of time for discussions, site visits and socializing.
- In many countries you will be invited for dinner, either at a restaurant or at a home. This is generally a good sign. Inquire about local customs, what to bring, what to do, etc. Don't forget that you are being evaluated as to your suitability as a business partner.
- Always carry a few items suitable for gifts in your luggage. In many countries, this exchange of small gifts is an important part of business.
- Avoid calling home or faxing from the hotel. Many hotels have a hefty surcharge (and this is no joke!) on international calls. Try using a service such as Canada Direct which is billed by the hotel as a local call (and charged to your office). You may also have your office call you at specific times.
- Some business travellers are beginning to use the Internet to communicate with the office. If you have access to a local Internet connection, you should try e-mailing and Internet phoning. An Internet phone allows you to actually talk to your office or home at Internet rates (at least 10 to 20 times less than regular international phone calls).

In many countries, the people you are going to visit will come, or send a driver to pick you up at the hotel. By all means accept their offer. If this is not the case, have the hotel call you a cab. As a rule, they know each driver and this is safer than flagging one in the street by yourself.

Experienced travellers who have seen it all, carry a small amount of money (and an expired library card or two) in a separate wallet.

After the Visit

- As your meetings proceed, make a list of "deliverables" and as soon as you get back, follow-up on all your contacts.
- If you have been invited, it may be a good idea to send a token thank you gift.
- If you are selecting an agent or a distributor, you may consider inviting them to come to Canada to see your operations and learn more about your products. This does not mean that you have to pay for the trip, but it does mean that you will have to extend to your visitor the same level of courtesy, or better.

12. References

Selecting Your Target Market

Target Market Information – Industry Canada

The Forest Industries and Building Products Branch works closely with Canadian building products manufacturers, contractors and building professionals, to whom it provides a range of market related information.

Industry Canada
Senior Commercial Officer,
Manufactured Housing
Forest Industries and Building Products Branch
235 Queen Street
Ottawa, ON K1A 0H5
Tel.: (613) 954-3037
Fax: (613) 941-8048
E-mail: doherty.allan@ic.gc.ca
http://info.ic.gc.ca/ic-data/ic-eng.html

Commercial Officer,
Construction Services
Service Industries and Capital Projects
Tel.: (613) 952-0216
Fax: (613) 952-9054

There are also publications on topics related to exports which you may obtain by calling: 1-800-667-3355.

Industry Canada Regional Offices:

Newfoundland and Labrador
P.O. Box 8950 Atlantic Place
215 Water St., Suite 504
St. John's, NF A1B 3R9
Tel.: (709) 772-4866
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Prince Edward Island
P.O. Box 1115
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Confederation Court Mall
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Moncton, NB E1C 1H1
Tel.: (506) 851-6440
Fax: (506) 851-6429

Quebec
5, Place Ville-Marie
Suite 800
Montreal, QC H3B 2G2
Tel.: (514) 283-6796
Fax: (514) 283-7894

Saskatchewan
The S.H. Cohen Building
Suite 401
119-4th Avenue South
Saskatoon, SK S7K 5X2
Tel.: (306) 975-4343
Fax: (306) 975-5334

Alberta
Canada Place, Room 540
9700 Jasper Avenue
Edmonton, AB T5J 4C3
Tel.: (403) 495-3329
Fax: (403) 495-4507

British Columbia and Yukon
2000-300 West Georgia Street
P.O. Box 11610
Vancouver, BC V6B 6E1
Tel.: (604) 666-8888
Fax: (604) 666-0954

Market Opportunities and Intelligence – Industry Canada

The Forest Industries and Building Products has, at the time of this writing, under construction a Web site which will offer information about Trade Performance, Market Opportunities and Intelligence, Access to World Markets, Financing our Exports, Promoting our Products, Regulations, Codes and Standards, Trade Promotion Team, Trade & Market Access Team.

http://info.ic.gc.ca/ic-data/industry/forestind/english/trade/index.html

Overview of Housing Export Opportunities – CMHC

This publication offers detailed information about target markets, country by country, worldwide, to help identify potential housing markets. It focuses on two major questions: which markets should be considered and what do these markets require.

Overview of Housing Export Opportunities for Canadians, 1996, 394 pp., available in English and French, published by:

International Relations Division
Canada Mortgage and Housing Corporation
Tel.: (613) 748-2431
Fax: (613) 748-2302

Import/Export Information Web Site – Strategis – Industry Canada

Through this Web site, Industry Canada provides general reference material which can be used to gain some level of knowledge on every potential target market in the world.

If you do not have an Internet connection, you may access Strategis through the Canada Business Service Centres across the country (see page 72).

Industry Canada, Strategis Web site,
http://strategis.ic.gc.ca/sc_mrkti/ibin/engdoc/ibinhome.html

Target Market and Other Information – InfoCentre, DFAIT

This is a good place to start when looking for general information on international markets. The InfoCentre also distributes a variety of export and trade related publications.

InfoCentre
Department of Foreign Affairs
and International Trade (DFAIT)
125 Sussex Drive
Ottawa, ON K1A 0G2
BBS: 1-800-628-1581 or 613-944-1581

Tel.: 1-800-267-8376 or (613) 944-4000
Fax: (613) 996-9709
Faxlink: (613) 944-4500
E-mail: infocentre@fait.gc.ca
http:\\www.dfait-maeci.gc.ca

Web Site – Export Information – DFAIT

DFAIT maintains an online International Business Development Assistance to Exporters Web site which provides a variety of information for people who are getting ready to export on subjects like: Road Map to Exporting and Export Financing, Working With Your Trade Commissioner, Program for Export Market Development (PEMD), Trade Fairs and Missions, Business Development Bank of Canada (BDC), Canadian Commercial Corporation (CCC), Export Development Corporation (EDC), Forum for International Trade Training (FITT). It also directs to sources of export assistance in the provinces and abroad.

http://www.dfait-maeci.gc.ca/english/trade/assist.html

Canadian Business Service Centres

Canadian Business Service Centres (CBSCs) are the result of cooperative efforts between the various levels of government and the private sector. CBSCs are intended to improve access to information of interest to exporters. CBSCs offer access to databases on government programs and services, links to external databases, publications, directories, guides and manuals. For more information, contact the CBSC nearest you:

Canada/British Columbia
Business Service Centre
601 West Cordova Street
Vancouver, BC V6B 1G1
Tel.: (604) 775-5525 or
1-800-667-2272
Fax: (604) 775-5520
FaxBack: (604) 775-5515

Canada/Alberta
Business Service Centre
Canada Place, Suite 122
9700 Jasper Avenue
Edmonton, AB T5J 4H7
Tel.: (403) 495-6800 or
1-800-563-9926
Fax: (403) 495-7725

Canada/Saskatchewan
Business Service Centre
122-3rd Avenue North
Saskatoon, SK S7K 2H6
Tel.: (306) 956-2323 or
1-800-667-4374
Fax: (306) 956-2328
FaxBack: (306) 956-2310 or
1-800-667-9433

Canada/Manitoba
Business Service Centre
330 Portage Avenue, 8th Floor
P.O. Box 981
Winnipeg, MB R3C 2V2
Tel.: (204) 984-2272 or
1-800-665-2019
Fax: (204) 983-2187
FaxBack: (204) 984-5527 or
1-800-665-9386

Canada/Ontario
Business Service Centre
Toronto, ON
(Telephone service only)
Tel.: (416) 954-4636 or
1-800-567-2345
Fax: (416) 954-8597
FaxBack: (416) 954-8555 or
1-800-240-4192

Info Entrepreneurs
5 Place Ville-Marie
Plaza Level, Suite 12500
Montreal, QC H3B 4Y2
Tel.: (514) 496-4636 or
1-800-322-4636
Fax: (514) 496-5934
FaxBack: (514) 496-4010 or
1-800-322-4010

Canada/New Brunswick
Business Service Centre
570 Queen Street
Fredericton, NB E3B 6Z6
Tel.: (506) 444-6140 or
1-800-668-1010
Fax: (506) 444-6172
FaxBack: (508) 444-6169

Canada/Prince Edward Island
Business Service Centre
232 Queen Street
P.O. Box 40
Charlottetown, PEI C1A 7K2
Tel.: (902) 368-0771 or
1-800-668-1010
Fax: (902) 566-7098
FaxBack: (902) 566-7098 or
1-800-401-3201

Canada/Nova Scotia
Business Service Centre
1575 Brunswick Street
Halifax, NS B3J 2G1
Tel.: (902) 426-8604 or
1-800-668-1010
Fax: (902) 426-6530
FaxBack: (902) 426-3201 or
1-800-401-3201

Canada/Newfoundland
Business Service Centre
90 O'Leary Avenue
St. John's, NF A1B 3T1
Tel.: (709) 772-6022 or
1-800-668-1010
Fax: (709) 772-6090
FaxBack: (709) 772-6030

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Market Intelligence and Information – Quebec

If you are a Quebec based company, you can count on the assistance of several hundred Quebec representatives located in the province's foreign offices around the globe. The Bureau de Promotion des Exportations (BPE) provides critical tie-in to Quebec's foreign offices. It disseminates international market intelligence and information, and is responsible for administering export programs, including APEX – the principal export enhancement program for firms established and exporting from Quebec.

Ministère des Affaires internationales
Bureau de Promotion des Exportations (BPE)
380, rue Saint-Antoine Ouest
Montreal, QC
H2Y 5R9
Tel.: (514) 499-2171
Fax: (514) 499-2163

List of telephone numbers for the divisions in charge of geographical areas:

United States
Tel.: (514) 499-2191/
499-2176/ 499-2153

Germany, Austria,
Scandinavia, Switzerland
Tel.: (514) 499-2195

China, Hong Kong
Tel.: (514) 499-2190

France
Tel.: (418) 649-2331

England, Ireland
Tel.: (514) 499-2194

Japan
Tel.: (514) 499-2167

Mexico
Tel.: (418) 649-2315

Information About Potential Target Markets – CIA

The Central Intelligence Agency (CIA) has a WWW site called the World Factbook 1995, providing facts, figures and maps of just about every country in the world. It is a good place to go when you know next-to-nothing about a country and want a basic map and some basic facts.

http://www.odci.gov/cia/publications/95fact/index.html

Information About Potential Target Markets – IntelWeb

IntelWeb is an online resource for information about countries around the world.

http://www.awpi.com/IntelWeb/

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International Development Institutions Can Also Be Target Markets

The World Bank is the largest international development bank. Its mission is to finance development projects, many of which have a construction or housing component. The World Bank operates in most developing countries. The Bank operates mostly through international tenders and it does business with many small and medium-sized suppliers. Another international bank that operates along the lines of the World Bank is the Interamerican Development Bank.

The World Bank Group
1818 H Street, N.W.
Washington, D.C. – U.S.A. 20433
Tel.: (202) 477-1234
Fax: (202) 477-6391

Interamerican Development Bank
1300 New York Ave., N.W.
Washington, D.C., U.S.A. 20577
Tel.: (202) 623-1000
Fax: (202) 623-3096

Consulting the World Bank Web Site on the Internet is an easy and inexpensive way to learn about the projects that are up for tender. The Bank's Web Site also contains valuable information about member countries. This information can be used in selecting a target market. The Bank's Web Site address is:

http://www.worldbank.org/

If you are interested in bidding on some of the projects being sponsored by the World Bank or the Interamerican Development Bank, the best way to start is by getting in touch with the Liaison Officer at the Canadian Embassy in Washington (see below).

Office for Liaison with
International Financial Institutions
Canadian Embassy
501 Pennsylvania Ave, N.W.
Washington, D.C.
U.S.A. 20001
Tel.: (202) 682-7788
Fax: (202) 682-7789

European Bank for
Reconstruction and Development
Office of the Director for Canada
One Exchange Square
London, U.K.
EC2A 2EM
Tel.: (011) 44-71-338-6458
Fax: (011) 44-71-338-6062

Liaison Officer to the
Caribbean Development Bank
Commercial Division
Canadian High Commission
Bishop Courts Hill, Bridgetown
Barbados
Tel.: (809) 429-3550
Fax: (809) 437-8474

Asian Development Bank Liaison
Officer
Canadian Embassy
P.O. Box 2168
Makati Central Post Office
Makati, Metro Manila
Philippines 1299
Tel.: (011) 632-810-8861
Fax: (011) 632-810-1699

African Development Bank
Liaison Officer
Canadian Embassy
23, rue Nogues, Le Plateau
01 B.P. 4104
Abidjan
Ivory Coast
Tel.: (011) 225-21-20-09
Fax: (011) 225-20-05-30

Permanent Mission of Canada to the
United Nations
United Nations Development Program
(UNDP)
1 Dag Hammarskjold, 14th Floor
NewYork, N.Y., U.S.A 10017
Tel.: (212) 751-3600
Fax: (212) 486-1295

Contacting International Financial Institutions – DFAIT

For general information about international institutions, you should contact the InfoCentre. For specific information about a project being sponsored by an international institution, you may contact the appropriate liaison office, or the International Finance Division of DFAIT in Ottawa.

International Finance Division
Department of Foreign Affairs and International Trade (DFAIT)
125 Sussex Drive
Ottawa, ON K1A 0G2
Tel.: (613) 995-7251
Fax: (613) 943-1100

Canadian International Development Agency (CIDA)

CIDA administers Canada's development aid program. These programs, which focus on the provision of basic humanitarian requirements, include housing.

As of this writing, access to CIDA business is through the Open Bidding Service (OBS). Information on the OBS is available at 1-800-361-4637 or (613) 737-3374 in Ottawa. CIDA's External Business Relations section can be reached at (819) 997-7778.

Canadian International Development Agency (CIDA)
200 Promenade du Portage
Hull, QC K1A 0G4
Tel.: (819) 997-6100
Fax: (819) 953-6088

The Trade Commissioners Service

The Trade Commissioners Service should be the cornerstone of your export thrust.

The Department of Foreign Affairs and International Trade (DFAIT) operates an international network of 128 Trade Offices staffed by Trade Commissioners located at Canadian Embassies and Consulates around the world. This network extends across Canada where it operates from International Trade Centers.

Trade Commissioners can offer a variety of services including:

- Information on potential target markets
- Detailed information on a variety of aspects of your target market, from trade statistics to politics and culture
- Help in understanding local rules and regulations, including duties, taxes, business practices, etc.
- Help in identifying and negotiating with potential local agents
- Help in developing the product, distribution, financing, etc., sections of your export plan
- Help in reviewing your export plan
- Information on trade fairs and missions (both outgoing and incoming)
- Help in identifying clients and getting an introduction
- Help in finding credit information on prospective clients
- Help in getting you and keeping you out of trouble when necessary

Trade Commissioners are busy professionals, you should start by contacting the appropriate DFAIT geographical section (see below). They will refer the request to the official responsible for your industry sector at the appropriate foreign post.

Africa and Middle East
Tel.: (613) 955-6591
Fax: (613) 944-7431

Asia and Pacific
Tel.: (613) 992-6807
Fax: (613) 996-4309

Europe
Tel.: (613) 996-6835
Fax: (613) 995-8783

Latin America and Caribbean
Tel.: (613) 996-4198
Fax: (613) 943-8806

United States of America
Tel.: (613) 944-5912

U.S. officer responsible for construction, manufactured wood products and building products
Tel.: (613) 944-9471

For information about specific Trade Offices, consult the Directory of the Canadian Trade Commission Service, available from:

InfoCentre: 1-800 267-8376
Department of Foreign Affairs and International Trade (DFAIT)

You may also contact the nearest International Trade Center:

Newfoundland ITC
P.O. Box 8950 Atlantic Place
215 Water St., Suite 504
St. John's, NF A1B 3R9
Tel.: (709) 772-5511
Fax: (709) 772-2373

Prince Edward Island ITC
P.O. Box 1115
Confederation court Mall
134 Kent St., Suite 400
Charlottetown, PEI C1A 7M8
Tel.: (902) 566-7400
Fax: (902) 566-7450

Nova Scotia ITC
P.O. Box 940, Station M
1801 Hollis St.
Halifax, NS B3J 2V9
Tel.: (902) 426-7540
Fax: (902) 426-2624

New Brunswick ITC
P.O. Box 1210, Assumption Place
770 Main St.
Moncton, NB E1C 8P9
Tel.: (506) 851-6452
Fax: (506) 851 6429

Quebec ITC
5, Place Ville-Marie, Suite 800
Montreal, QC H3B 2G2
Tel.: (514) 496-4636
Fax: (514) 283-7894

Ontario ITC
Dominion Public Building
One Front Street West, 4th Floor
Toronto, ON M5J 1A4
Tel.: (416) 973-5053
Fax: (416) 973-8161

Manitoba ITC
P.O. Box 981
330 Portage Avenue, 8th Floor
Winnipeg, MB R3C 2V2
Tel.: (204) 983-6531
Fax: (204) 983-2187

Saskatchewan ITC
The S.H. Cohen Building
119-4th Avenue South
Saskatoon, SK S7K 5X2
Tel.: (306) 975-5315
Fax: (306) 975-5334

Saskatchewan ITC – Regina Office
19191 Saskatchewan Drive, 6th Floor
Regina, SK S4P 3V7
Tel.: (306) 780-6325
Fax: (306) 780-6679

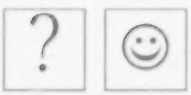
Alberta ITC
Canada Place
9700 Jasper Avenue
Edmonton, AB T5J 4C3
Tel.: (403) 495-2944
Fax: (403) 495-4507

Alberta ITC – Calgary Office
510-5th Street South West
Suite 1100
Calgary, AB T2P 3S2
Tel.: (403) 292-6600
Fax: (403) 292-4578

British Columbia ITC
P.O. Box 11610
900-65– West Georgia Street
Vancouver, BC V6B 5H8
Tel.: (604) 666-0434
Fax: (604) 666-8330

Liaison with International Financial Institutions

The following is a list of Liaison Officers that will provide information and help to Canadian firms who would like to pursue procurement opportunities with international development banks.



Alliance of Manufacturers and Exporters Canada (AMEC)

The AMEC (the old Canadian Export Association) provides a variety of services to its members, including information on market opportunities (membership is required).

AMEC provides services to its members on every aspect of exporting (information, advocacy, seminars, identifying market opportunities and potential partners, etc.). Membership dues are based on export sales, which range from entry level to Canada's largest international businesses.

Alliance of Manufacturers and Exporters Canada (AMEC)
Vice President, Membership Services
99 Bank Street, Suite 250
Ottawa, ON K1P 6B9
Tel.: (613) 238-8888 (ext. 233)
Fax: (613) 563-9218

AMEC in the provinces:

AMEC
Hearst Block, #539A
900 Bay Street,
Toronto, ON M7A 2E1
Tel.: (416) 325-6396
Fax: (416) 325-6509

AMEC
Suite 730-999 Canada Place
Vancouver, BC V6C 3E1
Tel.: (604) 844-3187
Fax: (604) 660-3917

AMEC
World Trade Centre Complex
380 St.-Antoine Street West,
4th Floor
Montreal, QC H2Y 3X7
Tel.: (514) 499-2162
Fax: (514) 864-2455

AMEC
5th Floor, 999-8th Street S.W.
Calgary, AB T2P 3G1
Tel.: (403) 297-8915
Fax: (403) 297-6168

Target Market Information – Trade Commissioners

As part of their wide ranging activities in support of Canada's exports, Trade Commissioners also provide information on potential target markets. Trade Commissioners are professionals who have a mandate to help you. They generally have first hand experience of the country they are responsible for and know where to find additional information.

For full details on what Trade Commissioners can do for you, and where they can be reached, see page 77.

Help in Identifying Target Markets – North West Territories

If you reside in the North West Territories, you can obtain help in identifying target markets from the:

Department of Economic Development and Tourism
P.O. Box 1320
Yellowknife, NT X1A 2L9
Tel.: (403) 669-2377 Fax: (403) 873-0169

Target Market Research – PEMD

DFAIT's Program for Export Market Development (PEMD) is the best known export support program for small and medium-sized companies. PEMD is a repayable contribution program which helps export-ready small and medium-sized companies develop their overseas business by covering half the costs of eligible expenses, including target market research. Applications are fairly straightforward, but approval must be obtained in advance.

For Additional Information, contact the:

Program for Export Market Development (PEMD), Department of Foreign Affairs and International Trade (DFAIT), or the International Trade Centres/Trade Commissioners Service

For the list of International Trade Centres, consult page 78.

Assistance in Target Market Research – Yukon

If you reside in the Yukon, you can obtain assistance in identifying target markets from the:

Department of Economic Development
Economic Programs
P.O. Box 2703
Whitehorse, YT Y1A 2C6
Tel.: (403) 667-5466 or 1-800-661-0408
Fax: (403) 667-8601

Assistance in Target Market Research – Newfoundland

As a Newfoundland based company, you may be eligible for financial assistance for foreign market research through the:

Department of Industry, Trade and Technology
Marketing and Investment Group
Manager, Trade Development
P.O. Box 8700
St. John's, NF A1B 4J6
Tel.: (709) 729-2369
Fax: (709) 729-3208

Learning the Tools of the Export Trade

All You Wanted to Know About Letters of Credit

This concise and well written booklet, actually titled "Documentary Credit", is available from the Royal Bank. It highlights the important aspects of documentary credits (Letters of Credit) and explains how to use them effectively.

Documentary Credit, 28 pp., published by:
Royal Bank International Trade Centre
Royal Bank of Canada

Tips to Help You Export More Successfully

This Web site provides steps to help exporters deal with different aspects of the export process: Assess Business Risk by Country; Understand Export Regulations; Create and Utilize an Export Document Checklist; Select a Freight Forwarder; Understand Short Term Financing; Use Credit Insurance, etc.

http://www.dbisna.com/dbis/global/hglobal.htm

Access North America/New Exporters to Mexico (NEWMEX)

Access North America is another business development support program operated by the Department of Foreign Affairs and Foreign Trade. New exporters participate in seminars aimed at giving them the knowledge and skills needed to export to Mexico. NEWMEX includes an intensive two-day preparation program, followed by a five-day trade mission to Mexico. The cost of the mission is shared between DFAIT and participants.

More details are available from the InfoCentre at:
Tel.: 1-800-267-8376, or (613) 944-4000
Fax: (613)996-9709
Faxlink: (613) 944-4500

New Exporters to Border States (NEBS)/New Exporters to Overseas (NEXOS)

The Department of Foreign Affairs and International Trade offers two training programs to help small and medium-sized companies enter the export business.

NEBS is aimed at companies with no previous export experience. The focus is exporting to US border states. Participants actually travel to a Canadian Trade Office in the US where they attend a one or two-day seminar on how to export, including talks on documentation, customs procedures, banking, insurance, agents, etc. This is generally followed by attendance at a trade show.

NEXOS is similar to NEBS but focuses on the European market. NEXOS is aimed at new exporters, it helps them by organizing missions to Europe in many different industry sectors. For the Housing Industry there are two to three missions a year, mainly to Eastern Europe. To apply to a mission, you have to be a new exporter to that market and not have had any previous subsidy from DFAIT. NEXOS organizes the mission, covers the airfare, and the participant pays the remaining expenses for the trip.

For more details on NEBS, contact the:
US Trade and Tourism Development Division,
DFAIT
Tel.: (613) 944-6577
Fax: (613) 944-9119

For more details on NEXOS, contact the:
New Exporters to Overseas (NEXOS)
Europe Fairs and Missions (DFAIT)
Tel.: (613) 996-5555
Fax: (613) 944-1008

Export Readiness Seminars – Industry Canada

The Forest Industries and Building Products Branch is responsible for initiating export-readiness seminars for building products manufacturers, contractors and building professionals.

Industry Canada
Senior Commercial Officer,
Manufactured Housing
Forest Industries and Building Products Branch
235 Queen Street
Ottawa, ON K1A 0H5
Tel.: (613) 954-3037
Fax: (613) 941-8048

Commercial Officer, Construction Services
Service Industries and Capital Projects
Tel.: (613) 952-0216
Fax: (613) 952-9054

E-mail: doherty.allan@ic.gc.ca
http: info.ic.gc.ca/ic-data/ic-eng.html

Training for New Exporters – FITT

Designed specifically by the Forum for International Trade Training (FITT), this is a series of training packages for small and medium-sized companies committed to exploring opportunities in the world marketplace. "FITT Skills" is a comprehensive package of eight modules delivered through a variety of teaching institutions across Canada and taught by practitioners. FITT programs are aimed at helping you become more knowledgeable in the field of international trade and equipping you with skills which can be immediately applied to your business environment.

Each module targets the essential tools of international business, such as entrepreneurship, marketing, trade finance, logistics, market entry, research, law and management. The course material includes detailed and relevant case studies, as well as interactive, problem-solving exercises.

The cost of FITT Skills courses vary between institutions. Tuition fees include extensive course material, an examination fee and 45 hours of instruction. Fees range anywhere from $400 to $600.

To find out more about FITT and the International Trade Training Programs, call 1-800-561-FITT or (613) 230-3553 (in Ottawa), or fax (613) 230-6808.

Information on Processes and Practices – Strategis

Through this Web site, Industry Canada provides valuable export and import information and reference material designed to guide browsers through the processes and practices associated with doing international business. Industry Canada, Strategis Web site:

http://strategis.ic.gc.ca

If you are not linked to the Internet, you can access Strategis through the Canada Business Service Centres across the country (see list on page 72).

Training for New Exporters – Quebec

In addition to other services, the Bureau de Promotion des Exportations (BPE) also provides training for new exporters.

Ministère des Affaires internationales
Bureau de Promotion des Exportations (BPE)
380, rue Saint-Antoine Ouest
Montreal, QC H2Y 5R9
Tel.: (514) 499-2171
Fax: (514) 499-2163

The complete list of telephone numbers for the divisions in charge of geographical areas is included on page 78.

Training for New Exporters – BDC

The New Exporter's Program of the Business Development Bank of Canada (BDC) (ex FBDB) helps small and medium-sized businesses understand export procedures. Participants attend monthly workshops and receive one-on-one counselling. They may also travel to the foreign market to familiarize themselves with export procedures.

BDC New Exporter's Program
Tel.: 1-888-463-6232

Business Development Bank of Canada (BDC)
280 Albert Street
Ottawa, ON K1P 5G8
Tel.: (613) 995-8835
Fax: (613) 995-9045

With or Without a Local Agent

Helping Businesses Export – Ontario

The traditional mandate of the Ontario International Trade Corporation was to assist Ontario based businesses to expand their international trade through a variety of mechanisms, such as the Trade Expansion Fund, which partially funded the search and contracting of local market agents. As of this writing, the Corporation is undergoing an in-depth reorganization. For details on their new mandate and services, contact:

Ontario International Trade Corporation
General Enquiries
56 Wellesley Street West, 7th Floor
Toronto, ON M7A 2E4
Tel.: (416) 314-8200
Fax: (416) 314-8222

Help in Selecting an Overseas Agent – Trade Commissioners

Trade commissioners are one of the best sources of information and help in identifying, selecting and contracting with a local agent. Since they are familiar with the country and the industry sector, they likely know the agent's reputation, or at least, are in a position to help check his credentials. The Trade Commissioner is also well placed to advise you on contractual matters and local business rules and customs.

Help in Selecting a Foreign Agent – Quebec

As part of its export support program, the Bureau de Promotion des Exportations (BPE) provides help in identifying and contracting foreign agents.

Ministère des Affaires internationales
Bureau de Promotion des Exportations (BPE)
380, rue Saint-Antoine Ouest
Montreal, QC
H2Y 5R9
Tel.: (514) 499-2171
Fax: (514) 499-2163

The complete list of telephone numbers for the divisions in charge of geographical areas is available on page 78.

Preparing Your Export Plan

Detailed Statistics About Your Target Market – DFAIT

The International Trade Data Bank is a database that can be used at the detailed target market study stage. The database is structured according to imports and exports, by SIC (Standard Industry Code, page 96) and by country. This is rarely precise enough. Access is somewhat awkward, as one has to call the library and ask for specific information which is then faxed.

International Trade Data Bank
Department of Foreign Affairs and International Trade (DFAIT)
Library Services Division, DFAIT
125 Sussex Drive
Ottawa, ON K1A 0G2
Tel.: (613) 995-3711 or 992-6941
Fax: (613) 944-0222

Target Market Detailed Information – The Economist

The Economist Intelligence Unit provides timely economic and political information about countries around the world. This is a good source of information for your detailed target market study. A subscription is however necessary in order to use their services and access the more relevant information.

http://www.i-trade.com/infosrc/eiu//countr.html

Import/Export Information Web Site – Strategis

The Strategis Web site contains links to key international sources of expertise in specific industry sectors and countries.

Industry Canada, Strategis Web site,
http://strategis.ic.gc.ca

If you are not linked to the Internet, you can access Strategis through the Canada Business Service Centres across the country (see list on page 72).

Information on International Trade – World Trade Organization

The World Trade Organization has a World-Wide Web site providing information on International Trade which can be useful in the detailed study of your target market.

http://www.unicc.org/wto/

List of Canadian Exporters

Canadian Company Capabilities, a component of Strategis, is a multi-faceted online database which includes business information which can be used to develop your business plan. CCC also contains a list of small and medium-sized Canadian companies, their products, capabilities and target markets. This could be especially useful in forming export alliances.

Canadian Company Capabilities
Industry Canada
Tel.: (613) 954-5031
Fax: (613) 954-1894
http://strategis.ic.gc.ca

Foreign Standards and Specifications – IRC

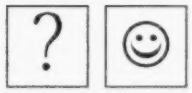
The Institute for Research in Construction (IRC) can help you identify the technical specification and standards required by your target market. Better still, the IRC can probably help you modify your products to meet these specifications.

National Research Council (NRC)
Institute for Research in Construction (IRC)
Ottawa, ON K1A 0R6
Tel.: (613) 993-3772
Fax: (613) 952-1638
http://www.nrc.ca/irc

Foreign Technical Certifications – CCMC

The Canadian Construction Materials Centre (CCMC) maintains both formal and informal linkages with counterpart technical approval organizations in other countries. They can provide you with information about foreign certification requirements and may also be able to help you obtain foreign certifications.

National Research Council (NRC)
Canadian Construction Materials Centre (CCMC)
Ottawa, ON K1A 0R6
Tel.: (613) 993-6189
Fax: (613) 952-0268



Help in Preparing Your Plan – Trade Commissioners

As part of their wide ranging activities in support of Canada's exports, Trade Commissioners can also provide you with a variety of information and help in preparing your export plan:

- *Detailed information on a variety of aspects of your target market, from trade statistics to politics and culture*
- *Help in understanding local rules and regulations, including duties, taxes, business practices*
- *Help in developing the product, distribution, financing, etc., sections of your export plan*

For full details on what Trade Commissioners can do for you, and where they can be reached, see page 77.

Help in Preparing Your Export Plan – Quebec

As part of its export support program, the Bureau de Promotion des Exportations (BPE) provides help in the development of some export plan components.

Ministère des Affaires internationales
Bureau de Promotion des Exportations (BPE)
380, rue Saint-Antoine Ouest
Montreal, QC
H2Y 5R9
Tel.: (514) 499-2171
Fax: (514) 499-2163

The complete list of telephone numbers for the divisions in charge of geographical areas is included in page 78.

Federal Office of Regional Development (Quebec) (FORD-Q)

FORD-Q coordinates, supports and promotes regional economic development in Quebec. Helps commercial ventures get started, expand, modernize or adapt to business opportunities in Canada and abroad.

Federal Office of Regional Development (Quebec) (FORD-Q)
800 square Victoria, bureau 3800
P.O. Box. 247
Montreal, PQ H4Z 1E8
Tel.: (514) 283-4843

Financing, Insurance and Loan Guarantees – EDC

The Export Development Corporation's (EDC) overall mandate is to provide financing, insurance and loan guarantees to Canadian exporters and their foreign customers.

As a small or medium-sized would-be exporter with little or no experience, you will love EDC's fast, simple and straightforward service for "Emerging Exporters". With a toll-free call you can talk to one of the Emerging Exporters Team members who will take your information over the phone, and, if you qualify, approve your line of credit, financing and your export insurance policy right away.

Export Development Corporation (EDC)
Emerging Exporters Team
151 O'Connor Street
Ottawa, ON K1A 1K3

Tel.: 1-800-850-9626
Fax: (613) 598-6871
E-mail: export@edc4.edc.ca
http://www.edc.ca

Business with Foreign Governments and Agencies – CCC

If you are planning to do business with a foreign government or with an international agency (such as the World Bank or the UN), you should first contact the Canadian Commercial Corporation (CCC). If your project qualifies, the CCC can be of tremendous help. For example, in addition to the performance guarantee implicit in the backing of a Crown Agency, it may assume the role of prime contractor, take part in the negotiations and sign the contracts with the client. The Corporation may also become involved in the collection of receivables from foreign customers.

Canadian Commercial Corporation (CCC)
50 O'Connor Street
Ottawa, ON K1A 0S6
Tel.: (613) 996-2655
Fax: (613) 995-2121
E-mail: info@ccc.ca

Helping Businesses Export – Ontario

The Ontario International Trade Corporation's mandate was to help Ontario based businesses expand their business overseas through the Trade Expansion Fund which partially funded market intelligence and the development of promotional material. As of this writing, the Corporation is undergoing an in-depth reorganization and it is not clear whether it will continue to fund export support activities. For details on their new mandate and services, contact:

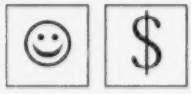
Ontario International Trade Corporation
General Enquiries
56 Wellesley Street West, 7th Floor
Toronto, ON M7A 2E4
Tel.: (416) 314-8200
Fax: (416) 314-8222

Export Marketing Help – British Columbia

If you are a resident of British Columbia you may be able to obtain some export marketing help from the B.C. Trade Development Corporation's Trade Operations Division, which is directly responsible for promoting construction, housing and building materials through trade missions, corporate alliances, joint ventures, etc.

If you are looking for ways to reduce your export related risks, the Corporation has two financial programs for firms that need financial assistance to be able to export. One is the Export Loan Guarantee Program, which is available to eligible firms requiring provincial loan guarantees; the other is the B.C. Export Investment Fund, which may take an equity position, or provide you with a loan, if you meet the eligibility criteria. Both funds are operated on a commercial basis.

B.C. Trade Development Corporation
Director, Natural Resources
Trade Operations Division
World Trade Centre Complex, Suite 730
999 Canada Place
Vancouver, BC V6C 3E1
Tel.: (604) 844-1940
Fax: (604) 844-1925



Help in Developing Your Export Plan
Financing Small / Medium Sized Business Exports
Equity Participation to Spur Exports

The Case Counselling Services of the Business Development Bank of Canada (BDC) (ex FBDB) provides professional services to help small and medium-sized businesses develop their own export and export financing plans. Participants attend monthly workshops and receive one-on-one counselling.

In addition to helping you develop your Export Plan, the BDC can help you finance your exports through credit guarantees of foreign receivables. One advantage of BDC over the EDC is that BDC's business threshold is lower.

If you qualify, BDC may even take a minority equity position in your company in order to facilitate your overseas expansion.

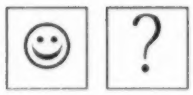
BDC New Exporter's Program
Tel.: 1-888 INFO BDC
(1-888-463-6232)

Business Development Bank of Canada
(BDC)
280 Albert Street
Ottawa, ON K1P 5G8
Tel.: (613) 995-8835
Fax: (613) 995-9045

Market Research and Export Packaging – Newfoundland

As a Newfoundland-based company, you may be eligible for funding to help perform foreign market research studies, as well as costs associated with packaging for export.

Department of Industry, Trade and Technology
Marketing and Investment Group
Manager, Trade Development
P.O. Box 8700
St. John's , NF A1B 4J6
Tel.: (709) 729-2369
Fax: (709) 729-3208



Canadian Universities

Canadian universities are sources of international trade research, know-how and expertise. Much of the information and intelligence does however reside with individual professors. This list is intended to give you a starting point in contacting the individuals that could help you. Do not feel that you must restrict yourself to the university nearest you.

Memorial University of Newfoundland
Faculty of Business Administration
St. John's, NF A1B 3X5
Tel.: (709) 737-4504
Fax: (709) 737-7680

Dalhousie University
School of Business Administration
6152 Coburg Street
Halifax, NS B3H 1Z5
Tel.: (902) 494-1825
Fax: (902) 494-1483

École des Hautes Études Commerciales
(HEC)
Centre d'études en administration
internationale
5255, avenue Decelles
Montréal, QC H3T 1V6
Tel.: (514) 340-6194
Fax: (514) 340-6177

McGill University
Faculty of Management
1001 Sherbrooke Street West
Montreal, QC H3A 1G5
Tel.: (514) 398-4004
Fax: (514) 398-3876

University of Western Ontario
Office of Administration
London, ON N6A 3K7
Tel.: (519) 661-3244
Fax: (519) 661-3959

Carleton University
Centre for Trade Policy and Law
Social Science Research Building
Room 106
Ottawa, ON K1S 5B6
Tel.: (613) 788-2600 (Ext. 6696)
Fax: (613) 788-3981

University of Toronto
Centre for International Business
Faculty of Management
246 Bloor Street West
Toronto, ON M5S 1V4
Tel.: (416) 978-2451
Fax: (416) 928-6694

University of Manitoba
Faculty of Management
Winnipeg, MB R3T 2N2
Tel.: (204) 474-8347
Fax: (204) 275-0181

University of Saskatchewan
College of Commerce
Saskatoon, SK S7N 0W0
Tel.: (306) 966-4798
Fax: (306) 966-8709

University of Alberta
Department of Marketing and Economic Analysis
Faculty of Business
Edmonton, AB T6C 2R6
Tel.: (403) 492-5418
Fax: (403) 492-3325

University of Calgary
Director of International Business
Faculty of Management
2500 University Drive
Calgary, AB T2N 1N4
Tel.: (403) 220-6592
Fax: (403) 282-0095

University of British Colombia
Faculty of Commerce and Business Administration
2053 Main Mall
Vancouver, BC V6T 1Y8
Tel.: (604) 822-3886
Fax: (604) 822-6970

Standard Industrial Classification (SIC) Codes

The SIC is a code table developed by the US Department of Labour to classify industries and organize industry statistics. The SIC is one of the major ways in which production, consumption and trade statistics are presented.

To facilitate your search for information from databases and government statistics sources which are organized according to the SIC code, we have included below a list of the major SIC categories covering the housing industry and related information areas which could be of use to a prospective exporter trying to size up a foreign market.

SIC related information can be used three-way:

First, if you look at a country's production for a given category, it gives you an idea of the size of that industry sector, and to an extent of the competition in that country.

Second, if you look at a country's consumption, it gives you an idea of the size of the market.

Third, if you look at the difference, or at information on imports and exports, it tells you roughly:

- if the market is open to imports (if imports are a significant proportion of the total consumption)
- if the imports are mostly at the low or high end of the price range (based on where imports come from)
- if the local industry is internationally competitive (if exports are a significant proportion of production)
- if exports are mostly high-priced or low-priced (based on country of destination).

Using the SIC code

Let's say you are looking for data on Canadian contracting services exports in the areas of plumbing, heating and air conditioning to Germany. You could contact the Foreign Affairs InfoCentre and ask for Canada/Germany export trade statistics for the last ten years for SIC code 1711 – Plumbing, heating, air-conditioning.

Most of the time, there will not be a specific SIC code for what you are looking for and you may have to gather related SIC codes and "infer" from that information.

SIC Code Description

15	General building contractors
152	Residential building construction
1521	Single-family housing construction
1522	Residential construction
17	Special trade contractors
1711	Plumbing, heating, air-conditioning
1721	Painting and paper hanging
1731	Electrical work
1741	Masonry and other stone work
1742	Plastering, drywall, and insulation
1743	Terrazzo, tile, marble, mosaic work
1751	Carpentry work
1752	Floor laying and floor work

1761 Roofing, siding, & sheet metal work
1771 Concrete work
1791 Structural steel erection
1793 Glass and glazing work
1794 Excavation work
1795 Wrecking and demolition work
1796 Installing building equipment
2421 Sawmills & planing mills, general
2426 Hardwood dimension & flooring mills
2429 Special product sawmills
2431 Millwork
2434 Wood kitchen cabinets
2435 Hardwood veneer and plywood
2436 Softwood veneer and plywood
2439 Structural wood members
2451 Mobile homes
2452 Prefabricated wood buildings
2491 Wood preserving
2493 Reconstituted wood products
2499 Wood products
2511 Wood household furniture
2512 Upholstered household furniture
2514 Metal household furniture
2515 Mattresses and bedsprings
2517 Wood TV and radio cabinets
2519 Household furniture
2591 Drapery hardware, blinds and shades
2599 Furniture and fixtures
295 Asphalt Paving and Roofing Materials
2952 Asphalt felts and coatings
3084 Plastics pipe
3085 Plastics bottles
3211 Flat glass
3241 Cement, hydraulic
3251 Brick and structural clay tile
3253 Ceramic wall and floor tile
3259 Structural clay products
3261 Vitreous plumbing fixtures
3264 Porcelain electrical supplies
327 Concrete, Gypsum, and Plaster Products
3271 Concrete block and brick
3272 Concrete products
3273 Ready-mixed concrete
3274 Lime
3275 Gypsum products
3296 Mineral wool
3353 Aluminum sheet, plate, and foil
343 Plumbing and Heating, except Electric
3431 Metal sanitary ware
3432 Plumbing fixture fittings and trim
3433 Heating equipment, except electric
3442 Metal doors, sash, and trim
3446 Architectural metal work
3448 Prefabricated metal buildings
363 Household Appliances
3631 Household cooking equipment
3632 Household refrigerators and freezers
3633 Household laundry equipment
3635 Household vacuum cleaners
3639 Household appliances
364 Electric Lighting and Wiring Equipment
3641 Electric lamps
3643 Current-carrying wiring devices
3645 Residential lighting fixtures
3651 Household audio and video equipment
3661 Telephone and telegraph apparatus
3663 Radio & TV communications equipment
3669 Communications equipment
4922 Natural gas transmission
4923 Gas transmission and distribution
4924 Natural gas distribution
4941 Water supply
4952 Sewerage systems

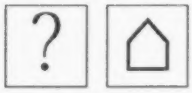
4953 Refuse systems
4959 Sanitary services
502 Furniture and home furnishings
5021 Furniture
5023 Home furnishings
503 Lumber and construction materials
5031 Lumber, plywood, and millwork
5032 Brick, stone, & related materials
5033 Roofing, siding, & insulation
5039 Construction materials
52 Building materials & garden supplies
521 Lumber and other building materials
5211 Lumber and other building materials
523 Paint, glass, and wallpaper stores
5231 Paint, glass, and wallpaper stores
5251 Hardware stores
5271 Mobile home dealers
5712 Furniture stores
5713 Floor covering stores
5714 Drapery and upholstery stores
5719 Misc. home furnishings stores
5722 Household appliance stores
5731 Radio, TV, & electronic stores
7011 Hotels and motels
7021 Rooming and boarding houses
7342 Disinfecting & pest control services
7349 Building maintenance services
7353 Heavy construction equipment rental
7359 Equipment rental & leasing
8811 Private households

Giving Your Export Plan a Reality Check

Reality Checking Your Export Plan – Trade Commissioners

The Trade Commissioner in charge of the housing industry sector in your target market should always be one of those asked to give your Export Plan a reality check. In all likelihood, the Trade Commissioner will be in a position to comment knowledgeably about the market, the competition, the distribution, the likely competitiveness of your products, the adequacy of your advertising, promotional material, brochures and even on your sales pitch.

Preparing Your First Visit – References



Canada Mortgage and Housing Corporation (CMHC)

CMHC Trade Policy, International Relations Division coordinates corporate and industry export promotion activities and strategies to help housing exporters to successfully address international housing opportunities.

Canada Mortgage and Housing Corporation (CMHC)
Trade Policy, International Relations Division
700 Montreal Road
Ottawa, ON K1A 0P7

Tel.: (613) 748-2431
Fax: (613) 748-2302
http://www.cmhc-schl.gc.ca/cmhc.html

Preparing Your First Visit – Trade Commissioners Services

Canada's Trade Commissioner responsible for the housing industry sector in your target market is probably the single most valuable resource available to you.

When you get to the point of planning your first visit, the Trade Commissioner will be able to help you, once again, by providing you with information on upcoming trade fairs and missions (both outgoing and incoming) and help in:

Identifying clients and getting an introduction
Finding credit information on prospective clients
Getting you and keeping you out of trouble when necessary

For full details on what else Trade Commissioners can do for you, and where they can be reached.

Import/Export Information Web Site – Strategis, Industry Canada

Strategis contains a comprehensive list of upcoming international business development activities and events designed to assist Canadian firms in their efforts to become more competitive in the global arena.

If you are not linked to the Internet, you can access Strategis through the Canada Business Service Centres across the county.

Industry Canada, Strategis Web site:
http://strategis.ic.gc.ca

Foreign Affair's Database of Canadian Exporters – WinExport

One of your first steps as an exporter should be to list yourself on the World Information Network for Exports (WinExports). This is the main database used by Trade Commissioners and other Foreign Affairs officers when trying to locate a potential Canadian supplier in response to an importer's query.

Registration in WinExport is also a pre-requirement for access to several government export assistance programs such as PEMD. Fro more information contact the:

Trade Information System Division, DFAIT
Tel.: (613) 996-5701
Fax: (613) 992-3004

Contacting Clients and Export Missions

The Forest Industries and Building Products Branch helps Canadian building products manufacturers, contractors and building professionals contact specific foreign clients and coordinates outgoing and incoming export trade missions.

Industry Canada – Building Products
235 Queen Street
Ottawa, ON K1A 0H5
Tel.: (613) 954-3037
Fax: (613) 941-8048
http:info.ic.gc.ca/ic-data/ic-eng.html

Commercial Officer, Construction
Services
Service Industries and Capital Projects
Tel.: (613) 952-0216
Fax: (613) 952-9054
E-mail: doherty.allan@ic.gc.ca

Missions and Foreign Promotion – British Columbia

If you are a resident of British Columbia looking for information on trade missions and promotion you should contact the B.C. Trade Development Corporation's Trade Operations Division, which is directly responsible for promoting construction, housing and building materials through trade missions, corporate alliances, joint ventures, etc.

B.C. Trade Development Corporation
Director, Natural resources
Trade Operations division
World Trade Centre Complex, Suite 730
999 Canada Place
Vancouver, BC V6C 3E1
Tel: (604) 844-1940
Fax: (604) 844-1925

Information, Help and Financial Assistance – Alberta

If you are based in Alberta, you may obtain information, help and assistance with regard to overseas promotion and participation at trade fairs and missions form Alberta's Department of Economic Development and Tourism. The department's Market Development and Assistance Program, provides funds for Alberta firms to participate in missions, trade fairs and international trade promotions, for incoming buyers of Alberta goods and services and for marketing trips.

Alberta has decided to focus on the Russian construction market and has assigned two officers in Russia and two in Edmonton to the promotion and development of Alberta housing sales to that market.

Department of Economic Development and Tourism
Business Finance/Tourism, Trade and Investment
Commerce Place
10155-102nd Street
Edmonton, AB T5J 4L6
Tel: (403) 427-0480
Fax: (403) 422-9319

To facilitate the contact, the Division is split in three main geographical areas:

Managing Director, The Americas
Tel.: (403) 427-6291
Fax: (403) 422-9319

Managing Director, Asia/Pacific
Tel.: (403) 422-5488
Fax: (403) 427-1700

Managing Director, Europe/Middle East/Africa
Tel.: (403) 427-6326
Fax: (403) 427-1700

Help With Missions and Trade Fairs – Quebec

The Bureau de Promotion des Exportations (BPE) helps Quebec based exporters participate in missions and trade fairs. A complete list of telephone numbers for the divisions in charge of different geographical areas.

Ministère des Affaires internationales
Bureau de Promotion des Exportations (BPE)
380, rue Saint-Antoine Ouest
Montreal, QC
H2Y 5R9
Tel.: (514) 499-2171
Fax: (514) 499-2163

Help in Coordinating Promotion Activities – Saskatchewan

The province coordinates promotions on behalf of saskatchewan exporters and incoming buyers. It does not provide financial assistance for market research or trade missions.

Department of Economic Development
Diversification Division
Director, Trade development Branch
1919 Saskatchewan Drive
Regina, SK S4P 3V7
Tel.: (306) 787-2222
Fax: (306) 787-3989

Helping Businesses Export – Ontario

The Ontario International Trade Corporation's mandate was to help Ontario based businesses expand their business overseas. As of this writing, the Corporation is undergoing an in-depth reorganization. For details on their new mandate and services, contact:

Ontario International Trade Corporation
General Enquiries
56 Wellesley Street West, 7th Floor
Toronto, ON M7A 2E4
Tel.: (416) 314-8200
Fax: (416) 314-8222

Familiarization Trips to Your Target Market – BDC

The New Exporter's training Program of the Business Development Bank of Canada (BDC), the ex-FBDB, may also include travel to the foreign target market to allow new exporters familiarize themselves with export procedures to that market.

Business Development Bank of Canada
(BDC)
280 Albert Street
Ottawa, ON K1P 5G8
Tel.: (613) 995-8835
Fax: (613) 955-9045

BDC New Exporter's Program
Tel.: 1-888-INFO BDC
(1-888-463-6232)

Assistance With Missions and Trade Fairs – Manitoba

If your business is in Manitoba, the Department of Industry Trade and Tourism will provide funds to participate in provincial trade fairs/missions.

Development Official responsible for housing
Tel.: (204) 945-1125

Department of Industry, Trade and Tourism
Industry Development Group
Senior Trade Development Officer
155 Carleton Street
Winnipeg, MB R3C 3H8
Tel.: (204) 945-2445
Fax: (204) 957-1793

Assistance With Missions, Trade Fairs and Market Development – PEI

The Trade Development Program and the Marketing Trade Program are the two main export promotion programs that offer partial funding and other trade services for trade shows and missions, market research and international market development.

Enterprise P.E.I.
Trade Promotion Manager
West Royalty Industrial Park
Charlottetown, PEI C1E 1B0
Tel.: (902) 368-6307
Fax: (902) 369-6301

Assistance With Missions and Trade Fairs – Nova Scotia

The province of Nova Scotia organizes trade missions and fairs in support of Nova Scotia-based companies, it also provides some conditional export assistance under its Business Futures Program. For further information, contact the:

Trade Director
Economic Renewal Agency
Investment and Trade
1800 Argyle Street, P.O. box 519
Halifax, N.S. B3J 2R7
Tel.: (902) 424-3672
Fax: (902) 424-5739

Assistance With Missions and Trade Fairs – North West Territories

If you reside in the North West Territories, you can obtain assistance in participating in missions and trade fairs from the:

Department of Economic Development and Tourism
P.O. Box 1320
Yellowknife, NT X1A 2L9
Tel.: (403) 669-2377
Fax: (403) 873-0169

Assistance With Missions and Trade Fairs – Yukon

If you reside in the Yukon, you can obtain assistance in participating in missions and trade fairs from the:

Department of Economic Development
Economic Programs
P.O. Box 2703
Whitehorse, YT Y1A 2C6
Tel.: (403) 667-5466 or 1-800-661-0408
Fax: (403) 667-8601

Assistance With Missions and Trade Fairs – Newfoundland

As a Newfoundland-based company, you may be eligible for financial assistance for foreign marketing and participation in foreign trade fairs and missions from the:

Department of Industry, Trade and Technology
Marketing and Investment Group
Manager, Trade Development
P.O. Box 8700
St.John's, NF A1B 4J6
Tel.: (709) 729-2369
Fax: (709) 729-3208

Assistance With Missions, Trade Fairs and Market Reconnaissance – New Brunswick

The New Brunswick Trade and Investment Branch administers that province's export promotion programs and services. Under the Trade Assistance Program, the province partially funds participation in trade missions, fairs and international market reconnaissance.

Department of Economic Development and Tourism
Trade and Investment
Trade Coordinator
Centennial Building, P.O. Box, 6000
Fredericton, NB E3B 5H1
Tel.: (506) 453-3649
Fax: (506) 453-3783

Assistance With Missions and Trade Fairs – PEMD

DFAIT'S Program for Export Market Development (PEMD) is the best known Foreign Affairs financial support program for Canadian participation in international fairs and missions.

PEMD is a repayable contribution program which helps export-ready small and medium-sized companies develop their overseas business by covering half the costs of eligible expenses. In addition to target market research and bid preparation, PEMD funding is available for participation in trade fairs and missions, as well as for individual export trips. Applications are fairly straightforward, but approval must be obtained in advance.

For additional information, contact the Program for Export Market Development (PEMD), department for Foreign Affairs and International Trade (DFAIT) or the International Trade Centres/Trade Commissioners Service.

Assistance With Missions and Trade Fairs and Expositions – ACOA

ACOA is the federal economic development agency for New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland. This program supports foreign trade promotions, international expositions and export awareness. The housing industry has used this program very successfully. An example is the Canadian homes built in Kobe that withstood an earthquake.

Atlantic Canada Opportunities Agency (ACOA)
Director, Trade and Technology
P.O. Box 6051
644 Main Street
Moncton, NB E1C 9J8
Tel.: (506) 851-6240
Fax: (506) 851-7404

Guides and Directories

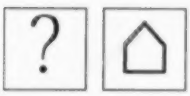
This section contains references to a number of publications, some of which are only available in electronic format, dealing with getting ready to export.

Are You Ready to Export?

Are You Ready to Export? is the companion to this guide. Are You Ready to Export? is a self-diagnosis guide especially designed to help small and medium-sized housing industry companies determine if they are ready to begin exporting.

Are You Ready to Export?, 1996, 49 pp., available in English and French, published by:

Canada Mortgage and Housing Corporation (CMHC)
Tel.: (613) 748-2431
Fax: (613) 748-2302



Building Abroad – A Guide for the Canadian Contractor

A book intended to help construction firms, new to international activities, to plan, prepare for and penetrate markets abroad.

Building Abroad – A Guide for the Canadian Contractor, 1996, 70 pp., available in English and French, published by:

Service Industries and Capital Projects Branch
Industry Canada
Tel.: (613) 952-0216
Fax: (613) 952-9054

For full details on what Trade Commissioners can do for you, and where they can be reached, see page 77.

Directory of Sources of Support for Canada's Housing Exporters – Canada's Exportable Housing

The Directory of Sources of Support for Canada's Housing Exporters summarizes federal, provincial and other Canadian programs and services that are currently available to support the international commercial efforts of Canada's housing industry. This is one of the most complete directories of resources available to Canada's housing exporters.

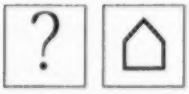
The Directory of Sources of Support for Canada's Housing Exporters, 1995, 42 pp., available in English and French, at no cost.

Canada's Exportable Housing is a publication for foreign readers, that illustrates the diversity of Canada's housing technologies, products and services exportable as is, or adaptable to specific international requirements.

Canada's Exportable Housing, 1995, 59 pp., available in English and French, free.

Both are published by:

Canada Mortgage and Housing Corporation
700 Montreal Road
Ottawa, ON K1A 0P7
Tel.: (613) 748-2431
Fax: (613) 748-2302



Housing Industry – Manufacturers Directory

A directory listing manufacturers that produce modular housing, mobile homes, park model trailers, panelized component housing, pre-engineered component "packaged" housing, mini homes and garden suites. The directory assists industry and government in responding to foreign and domestic enquiries for the purchase of housing units or technology.

Canadian Manufactured Housing Industry – Manufacturers Directory, 26 pp., available in English, published by:

Canadian Manufactured Housing Institute
Suite 702, Elgin Street
Ottawa, ON K2P 1L5
Tel.: (613) 563-3520
Fax: (613) 232-4635

Directory of the Canadian Trade Commission Service – DFAIT
CanadExport – DFAIT

The Directory of the Canadian Trade Commission Service is a must for every exporter. This directory contains a complete, up-to-date list of all International Commerce Centres in every province in Canada, and Trade Commissioners and Honorary Consuls abroad.

Directory of the Canadian Trade Commission Service, 1995, 64 pp., available in English and French, at no cost.

CanadExport is a monthly newsletter for exporters published by the Department of Foreign Affairs and International Trade. To receive the newsletter it is necessary to subscribe. The newsletter is available in English and French, at no cost. The publications may be obtained by calling:

InfoCentre: 1-800-267-8376
Department of Foreign Affairs and International Trade (DFAIT)

So You Want to Export?

A booklet to help companies decide whether or not they are ready to consider exporting. It gives an overview of what is involved in exporting, also names of persons and organizations to contact.

So You Want to Export? (Export Information Series – Volume 1), 1994, 30 pp., available in English and French, free, published by:

Trade Communications Division, Department of Foreign Affairs and International Trade
InfoCentre: 1-800-267-8376

Guide des services offerts à l'exportation – Quebec

This book provides companies resident or operating in the province of Quebec, a list of resources available to undertake international commerce.

Guide des services offerts à l'exportation, 1995, 165 pp., available in French, free, published by:

Direction des communications du Ministère des Affaires internationales,
de l'Immigration et des Communautés culturelles
Gouvernement du Québec
Tel.: (514) 499-2171
Fax: (514) 873-7825

L'exportation à votre portée – Quebec

A self-diagnosis interactive software that enables users to evaluate their business, products and their readiness to export. It also refers to provincial and federal export assistance programs. The guide also includes a list of references. The software comes in four diskettes for Windows 3.1 or later.

L'exportation à votre portée is available in French, it costs $89.00 and is produced by the Government of Quebec. It may be obtained at:

Les Publications du Québec
Tel.: 1-800-463-2100

Take a World View

A self-diagnosis interactive computer CD that enables users to evaluate their business, products and their readiness to export. It also refers to provincial and federal programs to assist exporters. The software comes on six diskettes for PCs.

Take a World View, 1995, available in English and French, it costs $49.00 and is produced by the Department of Foreign Affairs and International Trade (DFAIT). It may be obtained at:

Canada Communication Group, Publishing
Ottawa, ON K1A 0S9
Tel.: (819) 956-4800

Exporting from Canada

Available at bookstores and office equipment outlets. This book takes the reader step-by-step through the process of exporting, from ensuring that the product or service is fit for sale to figuring out costs; how to move the products; what is a letter of credit, a carnet; should one use an agent; how to fill out paperwork; etc.

Exporting from Canada, Anne Curran and Gerhard Kautz, Self Counsel Business Series, 3rd Edition, 1994, 120 pp., available in English at $19.95.

A Basic Guide to Exporting

An online guide to exporting in book format, available on the Internet.

http://maingate.net/exports/bge.html